

# Mid-Sussex District Plan

## Examination Statement Housing Matters

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**FOR WATES DEVELOPMENTS LIMITED**

**RESPONDENT NO 14681**

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## **Preamble**

Judith Ashton Associates acts for Wates Developments Limited (Wates), in respect of their various interests in Mid Sussex, the details of which are set out in appendix 1. Wates has also instructed Nathaniel Lichfield & Partners (NLP) to assist JAA and to prepare a series of reports to address the most recent evidence of Mid Sussex District Council (MSDC). NLP's reports are appended to this statement and include a review of objectively assessed needs (Appendix 8), a development capacity review (Appendix 9) and a housing trajectory review (Appendix 10).

### **Question 1 - Evidence Base**

*1.1 Do the West Sussex SHMA (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 basis for the OAN?*

**1.1.1 No.** Whilst the documents present a range of analysis relevant to informing Objectively Assessed Needs (OAN), as set out in NLP's OAN report (Appendix 8) it is not considered that these documents represent a suitable, robust or PPG compliant assessment of need. Whilst this is elaborated upon in answer to subsistent questions raised by the inspector, in summary the earlier assessments are largely historic, whilst the HEDNA's OAN:

1. Does not take into account likely changes in migration with London as reflected in the GLA's own projections (contrary to PPG ID2a-018 on consistent cross-boundary migration assumptions);
2. Conflates an adjustment for household formation in younger age groups with the adjustment for market signals, despite the PPG being clear that these are separate elements of the assessment (the former in PPG ID2a-015 and the latter in 2a-020) and, therefore, underestimates the adjustments needed to address market signals (see Q2.2 and Q7.1);
3. Fails to reflect alignment with potential economic growth in the District using economic forecasts as per PPG ID2a-018, instead choosing to align its assessment with 294 jobs per annum based on planned employment land supply (see Q2.3); and
4. Significantly underestimates affordable housing need as it uses net rather than gross household formation (contrary to PPG ID2a-025) and deducts committed supply to offset the initial needs. These artificially downplay the affordable housing need (see Q5.1).

### **Question 2 – Calculation of the OAN**

*2.1 Are the calculations that have led to the OAN starting point of 714dpa sound?*

**2.1.1 Yes,** however the 714 number is households per annum (hpa) is only the 'starting point', with further demographic adjustment necessary to arrive at demographic-led (household projection based) needs, as per PPG ID2a-015 and 2a-017. The 714hpa is based on Government's 2014-based population and household projections. It is necessary to account for a dwelling vacancy rate, which means growth of 714hpa translates into a need for 730 dwellings per annum (EP22 para 1.37). As set out in PPG ID2a-015, the household projections starting point may need adjustment to

reflect local demographic factors. Most notably for Mid Sussex this includes consistency with future migration trends with London (see Appendix 8 para 3.9) and necessary household formation adjustments (such as that in EP22 paras 1.38-1.44). NLP review of OAN concludes that demographic-led needs for Mid Sussex are 784-833dpa following such adjustments (Appendix 8 para 6.9). The PPG goes on to advise that the starting point and demographic-led (household projection based) needs may also need to be adjusted to reflect other economic, market signals and affordable housing factors.

## **2.2. *Have adjustments been made to the OAN starting point to reflect market signals?***

- 2.2.1 **No.** MSDC purports to have made such an adjustment it is conflated with headship rate adjustments. These are separate stages of the OAN calculation in the PPG: headship rate adjustments in PPG ID2a-015 reflecting demand-side adjustment on the demographic-led needs; and market signals in PPG ID2a-020 reflecting supply-side uplifts to address wider market signals of affordability and delivery.
- 2.2.2 Notwithstanding the above, the adjustment that is made and termed ‘*market signals*’ by MSDC is of a precisely measured scale (24dpa or +3.2%, with PPG ID-020 cautioning against such an approach it is wholly insufficient to reflect the degree of poor and worsening market signals indicators as demonstrated in NLP’s report (Appendix 8 (para 3.17 onwards)) with Mid Sussex performing particularly poorly compared with West Sussex and England overall in terms of house prices, affordability and the cost of rents. NLP advise that when compared to other areas where Inspectors have accepted uplifts of between 10% and 20%, a 25% uplift to the demographic-led needs is appropriate in Mid Sussex (para 3.54). This would equate to a need for 980-1,041dpa.

## **2.3. *Do the calculations reflect projected jobs growth?***

- 2.3.1 **No.** MSDC’s most recent economic studies (EP35 and EP36) show job growth forecast in Mid Sussex to be in the region of 500 jobs per annum (jpa) as a minimum. However, it is noted that evidence from the Forum indicates EP36 has a factual error in its reporting of the baseline economic forecast, which means the 478jpa reported, and referenced in EP21 paragraph 7.11, should actually be 644jpa. The HEDNA Addendum (EP22 table 1.59) shows that MSDC’s concluded OAN (754dpa) would support job growth of just 323 jobs per annum. The Council justifies this based on job growth from employment land supply during the plan period being lower at 294 jobs per annum i.e. a land-supply led approach of B-class jobs only (EP21 paras 7.16-7.17). This is a ‘policy-on’ approach that ignores job growth in the ‘non-B’ economy and is contrary to the PPG which advocates the use of economic forecasts (PPG ID2a-018).
- 2.3.2 NLP’s analysis (appendix 8 paras 3.60-3.66) identifies a need to provide for 812-853dpa to meet the job growth forecasts in EP35 and EP36 (a minimum given the error within EP35 identified above), which needs to be considered within the OAN calculation.

- 2.3.3 MSDC1 explains that MSDC enjoys a close working relationship with its neighbours on employment matters through the Greater Brighton Economic Board and the Gatwick Diamond. MSDC has been positive regarding its ability to accommodate growth in employment floorspace to assist in meeting unmet employment needs from neighbours but has not been so embracing in accommodating housing needs. A growth in employment floorspace coupled with inadequate housing supply will lead to an imbalance between the two and will contribute towards unsustainable travel patterns.

### **OAN Conclusion**

- 2.3.4 A properly derived OAN exercise for Mid Sussex, which follows the steps within the PPG, would result in a full OAN for the District of 1,000dpa for the plan period (appendix 8 para 6.16). This takes into account future demographic growth, responds to market signals, supports the economic growth potential and helps to meet the identified need for affordable housing. It should be noted that affordable housing needs (as dealt with in Q5.1) do form a core consideration and important influence within the calculation of OAN as reflected in NPPF paragraph 159 and confirmed in case law.<sup>1</sup>

### **Question 3 – The Duty to Cooperate**

- 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

- 3.1.1 We cannot comment upon this matter, Wates are not a participant in this process.

### **Question 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?
- 4.1.1 NPPF para 182 requires plans to be ‘positively prepared’ including meeting unmet development needs from neighbouring authorities where it is reasonable to do so, whilst para 47 requires full OAN to be met in the housing market area.
- 4.1.2 MSDC1 recognise the ‘very large’ unmet needs from neighbouring and nearby authorities. The Forum’s response in Table 4.1 outlines the position, which stands at circa 2,300 dpa.
- 4.1.3 The North West Sussex HMA comprises Mid Sussex, Crawley and Horsham. Crawley’s unmet need is 335dpa (see appendix 8 table 4.2). Horsham’s recently adopted District Plan (Dec 2015) provides 150dpa to meet Crawley’s unmet need leaving a residual unmet need of 185dpa. The Further Focused Modifications (BP4) have, in looking to retain an overall housing target of 800dpa, and in the light of the

<sup>1</sup> Borough of Kings Lynn & West Norfolk v SSCLG [2015] EWHC 2464 (Admin) – paragraph 36

increased OAN, reduced the Council's contribution to Crawley's unmet need (from 105dpa to 46dpa).

- 4.1.4 Para 7.83 of the SA (BP5) confirms that the strongest commuting and migration links are with Brighton & Hove (B&H) and Crawley; and that as a result any assistance towards meeting neighbouring authorities unmet needs should be directed towards Crawley and B&H. It goes on to advise that *'As Crawley is in the same primary Housing Market Area (HMA) as Mid Sussex...meeting any unmet needs within this area should take precedence, as per the requirement in the NPPF to meet the housing needs of the HMA.'*
- 4.1.5 On a simple starting basis, MSDC should positively seek to meet all of the residual unmet need from Crawley (185dpa), being the sole remaining District in the HMA where it is practical to meet Crawley's unmet needs. Crawley's neighbours to the north are Green Belt constrained authorities and unlikely to be able to contribute
- 4.1.6 However, MSDC's own evidence in the SA (EP14 Table 4.1) indicates that based on a, then assumed, Crawley unmet need of 4,173 over a 20 year plan period, MSDC would need to provide for between 2,651 (63.5% of the need based on travel to work data) and 1,240 homes (34.5% based on internal migration data)<sup>2</sup>. However, that analysis assumes other LPAs would be addressing the remainder, which cannot be the case. Given the above, and because the link between MSDC and Crawley is strongest in terms of travel to work data, MSDC should seek to properly test whether they can meet all of Crawley's unmet needs in full (an additional 185dpa on top of the OAN). That would reflect NPPF paragraph 47.
- 4.1.7 Further, the SA demonstrates a strong link between Mid Sussex and B&H, where the unmet need totals 846dpa. Indeed the link is stronger than that with Crawley, reflecting the overlapping nature of the HMA boundaries (EP14 Tables 4.3 & 4.4). Thus, there is sound justification for MSDC providing for B&H's unmet needs (particularly given the other districts within the Coastal West Sussex HMA also have unmet needs ranging from 95-315dpa – appendix 8 section 4). The scale of this should ultimately be determined through analysis of where Brighton's unmet needs could realistically flow (based on movement data) and be accommodated based on relevant planning considerations. EP14 undertakes a similar exercise for Brighton as it does for Crawley, but the methodology, based only on commuting and migration data, is similarly flawed because, for example, it would assume Brighton exporting unmet needs back to London, which has its own unmet needs. The SA's partial approach should thus be treated as a minimum. In this context we note that the SA indicates that at the time B&H's unmet need was assumed to be 540dpa. It also suggested that to meet B&H's unmet need based on travel to work data MSDC would need to provide for 4,008 homes (37.1% of the need) and that to meet B&H's unmet need based on Internal Migration data MSDC would have to provide an additional 2,200 homes (20.37%). Applying the same logic to the current unmet need of 846dpa would result in a need to provide for an additional 313dpa to address the unmet need based on previous travel to work data, or 172dpa to meet previous Internal Migration data.

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<sup>2</sup> NB the figures do not amount to 100% and the explanation for this is not explained in the SA



- 4.1.8 Having identified the additional unmet need MSDC should then have looked at if and how the district could best accommodate this need – the two step approach enshrined in the NPPF. They did not. All the SA (EP14) (p63 and p66) suggests is a series of ‘Broad potential locations for development’ to meet Crawley and B&H’s unmet needs.
- 4.1.9 Appendix 7 of the SA (BP5) contains an email from BHCC to MSDC in relation to the change of OAN in the District Plan from 695 dpa to 800 dpa and the implications of MSDC reducing their contribution towards meeting the ‘unmet housing needs of adjacent authorities’ from 105 dpa to 46 dpa. The email details the significant unmet needs of B&H and acknowledges that “*whilst the full unmet need is unlikely to be fully resolved, the reduction in surplus housing available from Mid Sussex to assist with that shortfall is regrettable*”. B&H highlight that the reasoning behind reducing the contribution to unmet need is based on a lack of available and deliverable sites however MSDC “*are aware of additional sites that may become available for the period after 2021*” which would come forward through a Site Allocation DPD. BHCC therefore request that MSDC clarify in their District Plan that the proposed housing target is a minimum in order to demonstrate their commitment to seeking additional housing sites through the proposed site allocation DPD.
- 4.1.10 The failure of MSDC to fully take into account the unmet needs of the neighbouring authorities is another factor justifying the increase in OAN of 25%. In fact this unmet need could be considered to be in addition to the uplift required for market signals (25%) increasing the OAN even further.

### **Question 5. Affordable housing**

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

- 5.1.1 **No.** We would however refer the inspector to the Forum’s response on this matter i.e. that based on the need for affordable housing being between 371 and 474 dpa MSDC would need to provide for 1236 dpa to meet the affordable need (based upon a 30% affordable housing provision).<sup>3</sup>

### **Question 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?

- 6.1.1 **Yes** the industry can deliver the requirement set out in the submitted plan and **yes** it could deliver a higher requirement.
- 6.1.2 Whilst delivery in the district stalled in the late 2000’s given the economic situation and the lack of allocations, the housing industry has benefitted from planning permissions granted at appeal and is delivering at pace to address the pent-up demand brought about by the lack of supply historically. Thus as set out in the Forum’s response market capacity should not be considered a constraint to

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<sup>3</sup> In referring the Inspector to the Forums response we would like to highlight our desire to still participate in the debate on this matter.

delivering 1,000 dpa + in Mid Sussex. That said for the market to continue to deliver at circa 1000dpa a range of outlets in different locations are required. Restricting the supply to two strategic sites will not help boost housing land supply, and actively prejudices the industry's ability to meet the needs of those in others parts of the district.

- 6.1.3 By increasing the housing target and therefore allowing the number of houses delivered in the District to be increased, the choice in the market will be improved as will the distribution of housing units, something which is currently being limited by the Neighbourhood Plans in Mid Sussex.

### **Question 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?

- 7.1.1 **Yes**, but this adjustment must be applied through a proper assessment of OAN, not simply be added to it when setting the housing requirement which would be contrary to case law<sup>4</sup>. As set out in appendix 2, MSDC failed to meet the housing requirements of the SEP year-on-year, such that only 53% of the requirement was delivered between 2006 and 2014.

- 7.1.2 This was in part because MSDC did not seek to allocate land to meet the requirement, meaning it is inevitable that the OAN would need to be adjusted to compensate. The PPG (ID2a-019) is clear that past under delivery should be reflected within the market signals adjustment made within the OAN (the 'rate of delivery' signal). Such past under-delivery also affects the other market signals indicators and together they inform the level of market signals uplift to be applied; a properly derived OAN will already reflect past under-delivery. This is a further reason why MSDC's OAN is inadequate in applying an uplift of just 24dpa and failing to properly engage with the market signals step within the approach advocated by the PPG, given the chronic problems of affordability.

### **Question 8. Site selection and housing distribution**

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

- 8.1.1 **No**. The Strategic Site Selection Paper (SSSP) (EP23), is in our opinion flawed as the premise is that to be strategic a site has to be over 500 dwellings. The rationale for this, according to para 1.13 of the SSSP is that '*allocating a number of smaller sites as an alternative to one strategic site may not deliver infrastructure benefits*'. This assertion is not justified: all sites will be contributing to S106/CIL payments and a site need not deliver 500 dwellings to be capable of contributing towards/providing for additional infrastructure payments/facilities. By way of example, the Inspector is asked to note that the land promoted by Wates at Scamps Hill Lindfield was being promoted so as to accommodate circa 200 dwellings and land for a new two-form entry primary school. In a report to the Scrutiny Committee for Planning and

<sup>4</sup> Zurich Assurance Limited vs. (1) Winchester City Council (2) South Downs National Park Authority [2014] EWHC 758 (Admin)



Economic Development on 10<sup>th</sup> November 2015, the then head of Economic Promotion & Planning in a 'Review of Strategic Sites' suggested there were only two strategic sites in Mid Sussex capable of accommodating the additional needs identified at that time: land at Pease Pottage, and the Wates land at Lindfield. She then went on to dismiss the Wates site as being too small as it was only promoting 200 dwellings, ignoring the fact that it was also proposing land for a primary school. A copy of the report and associated appendix 2 is attached for ease (appendix 7). The artificial and unjustified threshold of 500 dwellings for strategic developments is curtailing MSDC's ability to identify additional suitable, available and deliverable sites.

- 8.1.2 Furthermore, EP23 does not apply the tilted balancing exercise outlined in NPPF paragraph 14 because the objectives listed in the SSSP have all been afforded the same weight. As para 1.40 of the SSSP acknowledges the fact a site is in the AONB should hold the greatest weight due to the protection afforded the AONB in national government guidance. MSDC appear to have adopted the approach they need a site, it needs to be capable of accommodating at least 500 dwellings, and it needs to be near Crawley to meet Crawley's unmet needs - and there are no other sites available which does not reflect the approach suggested on p66 of the SA.
- 8.1.3 In any event, the methodology applied through both the SSSP and the SHLAA unduly discounts potential sites and artificially constrains the potential supply by applying criteria too stringently and in a manner unsupported by the PPG. The precise flaws in the overall methodology are fully explored in NLP's Development Capacity study (appendix 9) at paras 4.11-4.39. These problems then contaminate the judgements in the SA as to the notional environmental capacity of the District
- 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?**
  - 8.2.1 Before commenting upon the issue of 'environmental capacity' and the 'tipping point' we believe you have to go back to the fundamental requirements of the NPPF and the advice in para 159 i.e. that the LPA should when addressing their housing strategy, start by gaining a clear understanding of housing needs in their area, prepare a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.
  - 8.2.2 Having prepared a SHMA and established their OAHN they should then prepare a SHLAA to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.
  - 8.2.3 MSDC have in our opinion merged these two processes and are using the concept of a 'tipping point' as a cap on their housing target despite the fact they have suggested that the tipping point is not defined by an absolute figure. This was highlighted when

the Council's OAHN figure increased at the same time as the Council's residual housing provision to meet Crawley's unmet need decreased.

- 8.2.4 Furthermore, the Council's definition of a tipping point is not congruent with national policy. As stated in paragraph 14 of the NPPF, Local Plans should meet OAN across housing market areas unless the adverse impacts of doing so significantly and demonstrably outweigh the benefits. MSDC's SA defines the tipping point as being "*where negative impacts are greater than the positive impacts*" (para' 7.90) which is a clear blunting of national policy and fails to reflect the 'tilted balancing exercise' required. Clearly these factors weigh in the balance of whether the Local Plan is 'positively prepared' and consistent with national policy in seeking to meet full OAN through sustainable development, based on the NPPF.
- 8.2.5 Whilst over 60% of the district falls within the AONB; a significant part of the district is not within sensitive areas. And as such in circumstances where there are suitable sites for development, the district is as a matter of principle capable of accommodating more growth than that suggested by the MSDP and associated SA, a conclusion confirmed by the detailed Development Capacity Study prepared by NLP. (**Appendix 9**)
- 8.2.6 Like the Forum we would question the assertion that the methodology used in the adopted SHLAA is demonstrably robust. This cannot be the case if the Development Management team at the Council are resolving to grant planning permission on sites that were considered unsuitable for development in the SHLAA. Paragraph 14 of the NPPF (the presumption in favour), must be consistently applied. In this regard it is clear that the SHLAA has not had any regard to a developer's ability to address the landscape implications of development/ other implications identified in the SHLAA, through mitigation.<sup>5</sup>

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<sup>5</sup> In reviewing Wates interests at Lindfield (SHLAA ref 483 (LR/07)) no consideration has been had in the SHLAA to the detailed information submitted with the planning application for 200 dwellings, country park and a two form entry primary school (DM/15/4457), that had an officer recommendation for approval in Apr 2016, and no objection from the councils landscape consultants LUC. A copy of the officer's report to committee and the decision notice of the 19th April 2016 can be provided if required. This application is now the subject of an appeal – to be heard by way of a public inquiry in June 2017. Web link below:

<https://pa.midsussex.gov.uk/online-applications/applicationDetails.do?activeTab=externalDocuments&keyVal=NXJQUIKT07Z00>

In addition the SHLAA refers to the fact the 'Site would require allocation through Neighbourhood Plan or DPD.' As the SHLAA was published in April 2016 and the Lindfield NP was 'Made' in March 2016 the SHLAA is clearly out of kilter with the NP, which in Lindfield's case does not look to allocate any sites despite the examiners recommendations.

Likewise in reviewing Wates interests at Crawley Down (SHLAA ref 271) no consideration has been had in the SHLAA to the detailed information submitted with the planning applications for either 44 or 30 dwellings (DM/15/3614 and DM/15/3979), that had an officer recommendation for approval in February 2016 and no objection from the council's landscape consultants (East Sussex CC in this instance) A copy of the officer's report to committee can be provided if required. Whilst the application for 44 dwellings was refused by members, and is now the subject of an appeal, which has been recovered by the Secretary of State; the application for 30 dwellings received a committee resolution but has been called in and conjoined with the 44 unit appeal. Web link below:

- 8.2.7 Footnote 5 contains just two examples of sites that have been dismissed by the SHLAA but subsequently been found acceptable by the development management team when determining a planning application. The fact the members have resolved to refuse said applications, has resulted in unnecessary appeals and a flawed site selection process. In effect it appears that if a site was dismissed as unsuitable at the start of the process it does not matter what happens in the intervening period, the site will never be acknowledged as a suitable site for development. Which in the case of Wates interest at Lindfield is even more ironic when one considers that in November 2015 the then head of Economic Promotion & Planning in a 'Review of Strategic Sites' considered Site J (the Land east of Northlands Brook and south of Scamps Hill (Lindfield) SHLAA ref: #483) as a potential strategic allocation as it would meet the deliverability and locational criteria. These are examples of how the SHLAA has failed to comply with the PPG (ID: 3-019 and ID: 3-022) which requires assessments to consider whether identified constraints can be overcome or what action would be needed to remove them. No such exercise has been carried out.
- 8.2.8 We believe the SHLAA is flawed and that there is capacity to accommodate significantly more housing in Mid Sussex than MSDC have suggested
- 8.2.9 To this end we have to say that it is galling that as outlined by MSDC1, the Council appears to accept that a large number of proposals are the subject of appeals that can reasonably be assumed will be allowed, which suggests an element of reliance on 'planning by appeal' to deliver housing. Not only is this unfair and unreasonable on the communities who live in the District but also on those who are looking to invest in it. Everyone benefits from certainly, not least the Council who will see reduced appeal costs and greater time available for officers to deliver housing.
- 8.3 *To what extent is the Sustainability Appraisal preferred option (Focus development within or adjacent to Burgess Hill, East Grinstead and Haywards Heath, but encourage both larger villages and smaller villages to take growth to support the provision of additional services and meet local needs) reflected in the distribution of strategic allocations and the overall spatial strategy of the submitted plan?*
- 8.3.1 We do not believe the MSDP as submitted does reflect the aims of the SA to 'Focus development within or adjacent to Burgess Hill, East Grinstead and Haywards Heath etc. The simple fact is the main area of growth is that at Burgess Hill – with little directed to Haywards Heath or East Grinstead, and even less to some of the category 2 settlements – especially the likes of Crawley Down and Lindfield who both have 'Made' Neighbourhood Plans that seek to allocate no sites. Furthermore the decision to allocate land for 600 dwellings at Pease Pottage (a category 3 settlement)

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<https://pa.midsussex.gov.uk/online-applications/applicationDetails.do?activeTab=externalDocuments&keyVal=NVUBFWKT0A500>

In addition the SHLAA refers to the fact that the site 'Would require allocation through relevant Neighbourhood Plan or DPD' when the Crawley Down Neighbourhood Plan has already been 'Made', and provides for no site specific allocations.

does not fit with the settlement hierarchy, or the pro-rata growth promoted in the HEDNA.

- 8.3.2 If as we believe the OAHN is circa 1000 dwellings + a figure for the unmet needs of Crawley and B&H, the district should be reviewing sites of circa 100/150 (+) in and around the less constrained parts of East Grinstead, Haywards Heath, Lindfield, Crawley Down and the other category 2 settlements to establish which sites could best help address their outstanding needs. In particular it is important that the spatial strategy does not fall into the ‘sustainability trap’<sup>6</sup> whereby development is only considered acceptable in places already considered to be in narrow terms ‘sustainable’ rather than considering whether development can improve sustainability and vitality in smaller, more rural, settlements within the hierarchy. We believe this would demonstrate that the Wates land in Lindfield and Crawley Down is well suited to help address the council’s housing requirement.

**8.4 Can the allocation of the Pease Pottage site be reconciled with the SA and SHLAA findings? How is the site expected to relate to Crawley in terms of connectivity?**

- 8.4.1 Given the advice in paras 115, 116, 14 and Footnote 9 of the NPPF, national policy is in our opinion clear, planning permission should be refused in areas that fall within the AONB unless there are exceptional circumstances that demonstrate permission should be granted and that all other options (outside the AONB) have been exhausted. The same is true of housing allocations. Pease Pottage is a Category 3 settlement, a variety of sustainable sites, located in Category 1 and 2 settlements, which are not affected by AONB or National Park designations, have been promoted through the District Plan which could in our opinion better accommodate additional housing, and help meet the unmet housing needs of Crawley and/ or B&H. As such it is in our opinion impossible to identify what circumstances exist to justify the allocation of the land at Pease Pottage, let alone the exceptional circumstances (and public interest) required by the NPPF.

- 8.4.2 In the context of the above we also note that Crawley Borough Council have to date objected to the application for the development of this site (DM/15/4711) on the basis that inter alia ‘its location and proposed built form constitutes an unsustainable and isolated form of development harmful to the landscape setting of Pease Pottage and Crawley’ and the wider AONB; ‘ its location constitutes a form of development that is poorly related to the existing settlement at Pease Pottage and neighbourhoods in Crawley and fails to provide suitable connectivity’; and ‘the facilities proposed would not create a sustainable community hub’; etc. etc.

**8.5 Does the Plan need an expressly stated spatial strategy for the District with target figures for each area to provide guidance for neighbourhood plans and for any future site allocations plan? What are the implications of not having such a strategy?**

<sup>6</sup> Living Working Countryside - The Taylor Review of Rural Economy and Affordable Housing (2008) CLG – see page 26  
[http://www.wensumalliance.org.uk/publications/Taylor\\_Review\\_Livingworkingcountryside.pdf](http://www.wensumalliance.org.uk/publications/Taylor_Review_Livingworkingcountryside.pdf)

- 8.5.1 The lack of any clear strategy on what the Neighbourhood Plans (NP's) should be looking to provide has led to a situation where the Parishes in the production of NP's are not embracing their individual housing needs and hence the HEDNA – as is clear from appendix 3 of this statement that there is a significant miss-match between the figures suggested in the HEDNA and what has been delivered through the NP's to date. Thus, whilst the reliance on the Localism Agenda via the NP's is laudable, it is in our opinion failing to deliver sustainable development especially when you have category 2 settlements providing for no new growth.
- 8.5.2 Given the above the District Plan should identify minimum housing targets for settlements or neighbourhood plan areas (as appropriate) in order to guide site allocations and ensure a sustainable distribution of development. However promoting area targets now will not necessary deliver an increased housing provision through the Neighbourhood plans given the fact most are now made. Thus the MSDP needs to include both a spatial strategy to identify where sustainable deliverable development should be directed and formally allocate sites to ensure delivery. This should not be left to a future site allocations document. The sites are needed now, and allocating them would represent positive plan making

### **Question 9. Trajectories**

#### **9.1 What are the housing delivery trajectories overall and a reasonable estimate from the neighbourhood plans?**

- 9.1.1 My assessment of the NP's (see appendix 3), would suggest that much of what is identified in the NP's is already set out within MSDC's schedule of commitments, such that there is no prospect of the NP's providing for the 2,262 dwellings suggested in policy DP5 as amended by the schedule of further mods (August 2016). To this end I also note that para 4.3/ table 4 of BP18 advises that the 2,262 is made up of 2022 dwellings from NP's and 239 from SHLAA sites. Given my findings in appendix 3, it would appear that MSDC can only demonstrate circa 1420 dwelling (max) as new commitments from NP's and 239 from SHLAA sites. This amounts to 1659 dwellings against a target of 2262 – i.e. 604 short of the target, with only Slaugham and Copthorne NP to be published. As such land for at least 604 dwellings needs to be identified through other means in order to address the housing target as set by MSDC, let alone our view of the OAHN. In this regard I note that MSDC in MSDC1 state on p14 that:
- 'It is reasonable for smaller settlements to spread their housing delivery over the Plan (Neighbourhood Plan) period. In some cases there is no evidence, aside from the allocation, that the site will come forward, e.g. the land is not in control of a developer'.* MSDC should clarify the situation in this regard as clearly if the sites allocated through the NP's to date are not deliverable even more needs to be identified to address the shortfall and ensure delivery.
- 9.1.2 In addition to the above, it is worth noting that few sites of 100 dwellings (+) are allocated in the NP's, other than in Hassocks, East Grinstead and Haywards Heath. If MSDC are only to allocate sites of 500(+) as strategic sites those sites of 100-499 dwellings are prejudiced as being too small for one and too large and controversial for the other. The definition of strategic and the benefits of medium sized (100/150 (+) unit sites), needs to be reviewed by MSDC if the plan is to be effective and



justified. Other adjacent authorities such as Horsham and Wealden have allocated strategic sites of 150/200 dwellings<sup>7</sup>.

- 9.1.3 I also note that the trajectory in appendix a of the MSDP as submitted in August 2016 suggests that the strategic allocation at Burgess Hill Northern Arc will be delivering 172dpa from 2018/19. Whilst others promoting this site are better able to talk to this point, I note that in recent correspondence it has been suggested that only 2755 dwellings will be completed within the plan period (by 2031) not the 3500 MSDC suggest.
- 9.1.4 In addition to the above, the commitments table of the HIP August 2016 (EP18) contains a number of sites whose deliverability is open to debate. These include sites such as the former sewage treatment works (325 dwellings) at Burgess Hill which is blighted by virtue of the clean-up costs resulting from its previous use as a STW's (the settlements beds and plant still remain on site), the impact of the adjacent waste transfer station, other industrial buildings and gypsy and travellers site which are accessed through the site. Likewise Station Yard/Car Park, Burgess Hill is shown as 100 dwellings in the overall growth column and 150 in the total remaining – which cannot be correct, and land North of Faulkners Way, Burgess Hill (20 dwellings) forms part of the Northern Arc allocation so should not also be included in the commitments as a separate site. Similarly, the 80 units identified in Victoria Road in the NP allocations are already accounted for in the commitments, whilst the land at Rookery Farm (55 dwellings), which was allocated in the MSLP 2004 and has still to be the subject of an application (some 12 years later), cannot in my opinion be said to be a real commitment. Omitting these sites alone reduces the commitments by some 530 dwellings. An alternative 10% discount for the non-delivery of some of the large sites would not be unreasonable; and would amount to some 500 units. Either way I do not believe the level of commitments identified are all deliverable and this is a position shared and substantiated by the detailed trajectory review undertaken by NLP and included at **appendix 10**.<sup>8</sup>
- 9.1.5 In the context of the above, I have also excluded the land at Pease Pottage in my assessment of the housing land supply. Given the sites location within the AONB, and given the flaws in the strategic site selection process I do not believe this site should be viewed as a firm commitment. An updated SHLAA with new parameters may well identify alternative sites outside the AONB that are more suited to development, such that the 600 dwellings proposed here cannot in my opinion be taken as guaranteed at this juncture.

<sup>7</sup> Policy SD11 of the HDPF 2015 and policy WCS4 (SD6, 8, 10 and 11) refers

<sup>8</sup> Whilst NLP have calculated a different 5 year HLS figure for the plan period, this is because they have undertaken a more detailed critique of the situation, and spot checked a number of small sites where the level of commitment suggested in BP18 has been called into question thus they have 3046 dwellings included as large sites with planning permission/ where development has commenced. I have 3073 (27 more). NLP have also include the sites identified in MSDC1. I have not. As NLP suggest only 415 of these are deliverable in the 5 year period (not the 515 MSDC suggest) there would still be a deficit of circa 563 based upon 800dpa and 2243 based upon 1000dps and using Sedgfield in both cases.



**9.2 What are the reasons for the proposed timing of the site allocations plan?**

9.2.1 This is a matter for MSDC to answer. Albeit we note and agree with the submission made

**Question 10. Five year housing land supply**

**10.1 Given the advice in the PPG, what reason does the Council have for favouring the Liverpool methodology?**

10.1.1 This is a matter for MSDC to answer. That said PPG is very clear on the need to adopt the Sedgefield method unless there is a robust justification for not doing so. MSDC have not provided a robust reason for spreading the delivery of housing over the plan period. As such we can see no justifiable reason for using the Liverpool method. Poor completion rates over the last 12 years should not be put forward as a credible reason for under-provision going forward. Low completion rates have been a consequence of MSDC failing to maintain an up-to-date local plan for a large part of this period and refusing schemes which were clearly appropriate (and granted on appeal).

10.1.2 The fact MSDC have included a 20% buffer due to persistent under-provision would indicate that they should use the 'Sedgefield method' to make up the shortfall as soon as is reasonably possible. A limiting factor in this approach is the Council's allocation of a few large sites with long lead times and its reliance on NP's to allocate small sites. MSDC's arbitrary threshold of 500 dwellings for strategic sites is a flaw in housing strategy, and appears to be being used to deliberately reduce the availability of sites. There are many sites capable of accommodating 100/150+ dwellings that could provide the District with a source of housing supply in the next five years. Identifying these sites now, rather than relying upon appeals or a Site Allocations DPD in 2020/21 would demonstrate a positive and proactive approach to housing delivery.

10.1.3 Whilst MSDC have suggested that there are no suitable sites to deliver, the fact MSDC are committed to preparing a Site Allocations DPD suggests that there are sites which are suitable but MSDC do not want to see them released at present. Sites should be allocated now to boost the supply of housing.

10.1.4 The NPPF outlines the need for a Local Plan. MSDC should be promoting a single Local Plan that makes the key decisions on site selection now, rather than the two tier approach they are looking to adopt which in itself creates uncertainty in relation to delivery

**10.2 What is a realistic estimate for the contribution from deliverable sites in the next 5 years?**

10.2.1 Having regard to our response on question 9, and the information contained within BP18, we would suggest that rather than the 4869<sup>9</sup> BP18 suggests are deliverable over the next 5 years, the figure is 3,934 (max)<sup>10</sup>

**10.3 What is the level of under-provision from the start date of 2014?**

10.3.1 Based upon MSDC target of 800dpa it is, based upon Sedgefield, -102 (see section 7 above). Based on a target of 1000dpa it would be -502. That said the level of under provision pre 2014 was 3,128 dwellings.

**10.4 With regard to the 'buffer', what is the District's record of housing provision over the economic cycle?**

10.4.1 Inadequate. MSDC have accepted in the HIP (BP18) that the buffer should be 20%

**10.5 Having regard to the above, what is the 5 year housing supply using the Sedgefield methodology?**

10.5.1 As set out in JAA appendix 4, based upon current MSDC plan requirement of 800dpa the HLS deficit is between -53 and -978 dependent upon which assessment of deliverable commitment within the next 5 years is relied upon i.e. between 4.94 and 4.00 years.

10.5.2 Appendix 5 explains the position if an OAHN of 1000dpa, is applied and demonstrates a deficit of between -1,733 and -2,658 dependent upon which assessment of deliverable commitment within the next 5 years is relied upon i.e. between 3.68 and 2.98 years.

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<sup>9</sup> Whilst figure 5.10 of BP18 states a figure of 4,863 as being deliverable during the 5 year period, the figures in the tables at appendix 2 of BP18 add up to 4869.

<sup>10</sup> 4869 – 935 comprising:-

- 265 at Burgess Hill (The consortium promoting this are suggesting 255 not 515)
- 150 sewage treatment works – all 325 not deliverable – MSDC allocate 150 for first 5 years
- 210 Land west of Copthorne as only likely to generate 90 in next 5 years given the fact it only has outline consent in place, there are multiple land owners involve, and significant upfront infrastructure works to put in place – total of 500 accepted
- 20 as land North of Faulkners Way, Burgess Hill forms part of the Northern Arc
- 80 land at Victoria Road Burgess Hill – already in list of large sites with PP
- 55 as land north of Rockery Farm, Rocky Lane, Haywards Heath.
- 150 at Pease Pottage

10.6 Will the plan's strategic allocations and policies, together with allocations from neighbourhood plans and any future site allocations plan, ensure that sufficient sites are available for a 5 year supply of deliverable land to be maintained into the future? What adjustments might be made to the plan to ensure a reliable supply?

10.6.1 The MSDP is, as set out in appendix a of the Plan, dependent upon the strategic allocations and NP's delivering in the latter part of the plan period (2021(+)). If the pace and scale of delivery at Burgess Hill is slower/ less than MSDC envisage, and those promoting the site say it will be, and if a considerable element of the housing to be delivered through NP's is already in MSDC's commitments, there is no alternative source of supply other than through a Site Allocations DPD. Given the time this is likely to take to put in place, and given our position on the housing requirement and current 5 year HLS, we consider there to be a clear need for additional residential allocations, of varied scale in order to promote choice and competition for land, and ensure a significant boost in the supply of housing. In order to ensure that additional sites come forward within the five and ten year periods, the Council must allocate additional sites now as part of the District Plan.

## 11 Conclusion

11.1 The MSDP as submitted is unsound in as far as the assessment of the OAHN, and planned level of housing growth is concerned. Both are unjustified, and will lead to an ineffective plan that is not positively prepared. The OAHN needs to be reviewed and amended in the light of the clear evidence of worsening affordability and unmet housing needs. Likewise the overall housing requirement needs to be amended to address the OAHN and 'significant boost' the supply of housing in accordance with the NPPF. This can be achieved by providing for additional site allocations within the MSDP by way of a re-assessment of all available sites now; not through a future Site Allocations Plan. This will allow for the District to provide the level of housing required to meet the needs of the community and enable them to maintain a five year housing land supply. There is no market reasons why delivery of housing cannot be increased in line with delivery rates experienced in neighbouring authorities; and it is clear that delivery would be improved/ increased by the allocation of additional sites within the District Plan.

### **JAA Appendix 1 – Wates various interests in Mid Sussex**

Wates Developments Limited (Wates), have various interests in Mid Sussex, including those at Lindfield, Crawley Down, and Felbridge.

Wates are, together with Rydon Homes Ltd and Gleeson Developments Ltd, part of the consortium promoting the Burgess Hill Northern Arc site - The major strategic allocation in Mid Sussex. Wates are advised by Savills in this regard.

Wates are also members of the Mid Sussex Developers Forum (the Forum), which was established in September 2016.

Savills have been instructed to represent the Forum through a single Written Statement addressing the Inspector's questions 1-7, 8.2, 8.5, 9.2 and 10. It has been agreed within the Forum that other questions will be left to each party, as these relate to 'site specific' matters. It has also been agreed within the Forum that members may wish to amplify the Forums joint response, where necessary to highlight specific matters.

These representations look to augment those submitted by Savills on behalf of the Forum and those submitted by Savills for Wates concerning their interests at Burgess Hill.

The extent of Wates main interests outside Burgess Hill, the quantum of development they could accommodate and the relevant SHLAA references are set out below.

Parish	Site	Form of interest	Nature of site	Size	No of units	SHLAA ref
Lindfield	Land South of Scamps Hill Road	Land Promotion Agreement.	Greenfield.	24.66 ha (60.93 acres)	200 dwellings	483
Crawley Down	Turners Hill Road	Freehold.	Greenfield.	1.09 ha (2.70 acres)	10 dwellings	271
Crawley Down,	Turners Hill Road	Option Agreement.	Greenfield.	3.28 ha (8.10 acres)	34 dwellings	271 & 688
Crawley Down	Turners Hill Road	Option Agreement	Greenfield.	36.42 ha (90.0 acres)	150 dwellings	688
Felbridge	Crawley Down Road	Option Agreement	Greenfield.	2.59 ha (6.40 acres)	60 dwellings	197

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**JAA Appendix 2 – MSDC housing delivery since 2006**

Year	Requirement	Delivery	Shortfall	Cumulative shortfall
2006-7	855 – SEP	337	-518	-518
2007-8	855 – SEP	502	-353	-871
2008-9	855 – SEP	480	-375	-1246
2009-10	855 – SEP	353	-502	-1748
2010-11	855 – SEP	179	-676	-2424
2011-12	855 – SEP	522	-333	-2757
2012-13	855 – SEP	749	-106	-2863
2013-14	855 – SEP	536	-319	<b>-3182</b>
2014-15	800 – DP	630	-170	-170
2015-16	800 – DP	868	+68	-102
Total				
Annual average delivery rate		515.6		

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### JAA Appendix 3 – JAA assessment of Neighbourhood Plans

#### Category 1 settlement

Parish	HEDA Nov 2015	NP status and housing numbers allocated	Position in terms of MSDC's commitments
Burgess Hill	2,378	<b>Made</b> 28 January 2016 Unclear as the NP is not specific about unit no's on some sites. Our analysis suggest the NP allocates land for circa <b>512</b> dwellings – but they are all accounted for in the commitments	512 already in commitments as have PP/ as allocated sites
East Grinstead	2,126	Referendum 20 <sup>th</sup> Oct 2016 <b>515</b> dwellings promoted	113 already in commitments as have PP/ SSHA sites
Haywards Heath	2,204	Referendum 1st December 2016 <b>646</b> dwellings promoted	150 included in SHLAA
<b>Total from Category 1 settlements</b>	6,708	<b>898</b> as 113 in EG, 512 in Burgess Hill and 150 in Haywards Heath already accounted for in commitments /SHLAA	



### Category 2 settlement

Parish	HEDA	NP status and housing numbers allocated	Position in terms of MSDC's commitments
Cuckfield	279	<b>Made</b> 2014 Land for <b>29</b> units identified	25 in commitments 4 already built out
Hassocks	630	Reg 16 submission – June 2016 3 – allocations: Hassocks Golf Club (130 dwellings) <sup>11</sup> Land North of Clayton Mills (140 dwellings) National Tyre Centre (20 dwellings) <b>290</b> units in total	
Hurstpierpoint & Sayers Common	560	<b>Made</b> March 2015 Land for <b>252</b> units identified in Hurstpierpoint and an additional <b>30 – 40</b> in Sayers Common (a cat 3 settlement)	All 252 in HPP have PP and are in the commitments. The 30 – 40 in Sayers Common are not identified and thus cannot be said to be deliverable
Lindfield Rural Lindfield	478 204	<b>Made</b> –March 2016 No sites allocated	0
Crawley Down – Worth	804 Worth parish as a whole	<b>Made</b> 28 January 2016 No sites allocated	0
Copthorne – Worth	804 Worth parish as a whole	Still pre submission	
<b>Total from category 2 settlements</b>	2955 (Worth counted just once)	<b>290</b> (in Hassocks) as 321 already accounted for in MSDC's commitments and 40 in Sayers Common cannot be said to be deliverable as site not identified	

<sup>11</sup> App in – DM/16/1775

### Category 3 settlement

Parish	HEDA	NP status and housing numbers allocated	Position in terms of MSDC's commitments
Albourne	51	<b>Made</b> 21st September 2016 Promotes the development of <b>2</b> units	
Ardingly	144	<b>Made</b> 2015 Land for <b>37</b> units identified	Already accounted for in MSDC's commitments – granted on appeal pre NP
Ashurst Wood	143	<b>Made</b> 29 <sup>th</sup> June 2016. Land for <b>87</b> units identified	
Balcombe	150	<b>Made</b> 21st September 2016 Land for <b>42</b> units	
Bolney	104	<b>Made</b> 21st September 2016 Land for <b>41 – 45</b> dwellings identified	6 units already in commitments – as an allocated LP site
Horsted Keynes	126	Reg 14 consultation ended May 2016 3 sites allocated – 2 provide <b>16</b> dwellings and 1 provides for an extra care facility	
Turners Hill	150	<b>Made</b> March 2016 Land for <b>44</b> units identified	All 44 counted for in MSDC's commitments – none have pp
West Hoathly	168	<b>Made</b> April 2015 Land for <b>55</b> units identified	All 55 are accounted for in MSDC's commitments – none have pp
<b>Total from category 3 settlements</b>	<b>1,036</b>	<b>182 – 186</b> as 142 already accounted for in MSDC's commitments	

Total NP provision:-

Total from category 1 settlements	<b>898</b> as 113 in EG, 512 in Burgess Hill and 150 in Haywards Heath already accounted for in commitments /SHLAA
Total from category 2 settlements	<b>290</b> (in Hassocks) as 421 already accounted for in MSDC's commitments/ cannot be said to be deliverable
Total from category 3 settlements	<b>182 – 186</b> as 142 already accounted for in MSDC's commitments
<b>Total</b>	<b>1370 – 1374</b> as 1338 already accounted for in MSDC's commitments/ cannot be said to be deliverable

Notes

The category 3 settlements were defined in the MSDP Pre-Submission Draft June 2015 as:- Albourne, Ardingly, Ashurst Wood, Balcombe, Bolney, Handcross, Horsted Keynes, Pease Pottage, Sayers Common, Scaynes Hill, Sharpthorne, Turners Hill and West Hoathly.

Work on the Slaugham NP – which includes Handcross and Pease Pottage - was abandoned after the Examiner's report of January 2014

In addition to the above I also be note that the Twineham Neighbourhood Plan provides for around **20** new homes on unidentified sites across the plan period, and the Ansty & Staplefield Neighbourhood Plan (which the Examiner's Report concludes, subject to modifications, should proceed to Referendum), allocates land for **26** dwellings

On the basis of the above the Further Mods of August 2016 suggest the NP's / site allocations DPD should provide for **2,262 dwellings** over and above the commitments. BP18 advises that this is made up of 2022 dwellings from NP's and 239 from SHLAA sites - para 4.3/ table 4 of BP18.

However of the 5 SHLAA sites mentioned in BP18, we note that the main one – land at Hurst Farm, Hurstwood Lane, Haywards Heath (identified for 150 dwellings), is the same as the site allocated in the Haywards Heath NP for 350 dwellings. We have placed this commitment with the SHLAA to avoid double counting

Having regard to the above MSDC can only demonstrate circa 1420 dwelling (max) as new commitments from NP's and 239 from SHLAA sites (if the matters identified in BP18 are overcome).

This amounts to 1659 dwellings against a target of 2262 – i.e. 604 short of the target, with only Slaugham and Copthorne NP to be published.

#### Summary of East Grinstead NP Sites

	Site	No units	Comments
1	St Lukes Hospital and Church	15	PP
2	1-25 Bell Hammer	28	PP for 28 sheltered units
3	Warrenside	14	PP
4	Meadway Garage	9	
5	Windmill Lane/London Road	35	SSH DPD allocation
6	Imberhorne lane car park	18	
7	67-69 railway Approach	7	PP
8	Post Office	12	
9	Cantelupe House	14 <sup>12</sup>	PP
10	Imberhorne Lower School	200	Questionable deliverability WSCC not releasing the site for at least 5 – 10 years – see reps to EGNP
11	Ashplats House	45	
12	Queens Walk	120	App for 129
Total		517 <sup>13</sup>	113 already in commitments

#### Summary of Haywards Heath NP Sites

	Site	No units	Comments
1	Land at Hurst Farm Hurstwood Lane	200	Nb total is 350 but 150 accounted for in the SHLAA process – this cannot be counted twice and we have thus excluded it under the NP figure
2	Land South of Rocky Lane and West of Weald Rise and Fox Hill Village.	190	Nb it was 150 – the inspector increased it to 190 by increasing the density – see para 6.9.25 of his report
3	Caru Hall	12 units	
4	Rear of Devon Villas	10 units	
5	Land at Bolnore Road	24 units	
6	Harlands Road Car Park	40 units	Not currently available – cannot be included in first five years
7	Land at Downlands Park	20 units	C2 not C3
Total		496	150 in SHLAA

#### Summary of Burgess Hill NP Sites

	Site	No units	Comments
TC1	Civic and Cultural quarter	Unknown	
TC3	The Brow Quarter	242	Accounted for in commitments as having pp (142 BHTC) and 100 as a NP allocation
TC5	Station Quarter	150	Already included in commitments

<sup>12</sup> Allocated for 12 – pp for 14

<sup>13</sup> Plan is for 515 but PP have increased this by 2

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S1	Victoria Road	Circa 80	Already included in commitments /as PP's on p19 of HIP
LR1	Leylands Park	40	Already allocated/ part of Burges Hill Northern arc
Total		512	All included in commitments

#### **JAA Appendix 4 – MSDC 5 Year HLS Housing Assessment based upon 800dpa**

Utilising information from BP18

<b>Requirement</b>	<b>MSDC</b>	<b>JAA</b>	
District Plan housing requirement 2016 - 2021	4,102	4,102	Based on the plan requirement to achieve 800dpa (x5) +102 shortfall from the first 2 years of the plan (1498 dwellings were delivered against a requirement for 1600 (800x2)).
Annualised housing requirement with 20% buffer applied (years 1 -5 only)	4,922	4,922	4,102 x 20% (820)
<b>Supply</b>			
Commitments			
Large sites with Planning Permission	3433	3073	
Large allocated sites without planning permission	55	0	
NP sites without PP	160	60	
Sites identified in the SHLAA <sup>14</sup>	239	239 <sup>15</sup>	
Small sites with planning permission (with 40% discount applied)	317	317	
District Plan allocation at Burgess Hill	515	255	
District Plan allocation at Pease Pottage	150	-	
<b>Total Housing Supply in year 1 - 5</b>	<b>4,869</b>	<b>3,944<sup>16</sup></b>	
Five year supply	4.94	4.00	Total supply / Total requirement x 5
Deficit over the 5 year period	-53	-978	

<sup>14</sup> See para 4.3/ table 4 of BP18

<sup>15</sup> I have left this at 239. But if you include the HHNP figures in MSDC1 you would need to discount 150 units from the additional figures cited in MSDC1 to prevent double counting

<sup>16</sup> NB adding in the additional 415 identified from MSDC1, as suggested in the NLP report (App 9) would increase the supply to 4199. This is 27 more than identified in the NLP as NLP did a more detailed assessment of smaller sites



### **JAA Appendix 5 – MSDC 5 Year HLS Housing Assessment based upon 1000dpa**

Utilising information from BP18

<b>Requirement</b>	<b>MSDC</b>	<b>JAA</b>	
District Plan housing requirement 2016 - 2021	5,502	5,502	Based on the plan requirement to achieve 1000dpa (x5) +502 shortfall from the first 2 years of the plan (1498 dwellings were delivered against a requirement for 2000 (1000x2)).
Annualised housing requirement with 20% buffer applied (years 1 -5 only)	6,602	6,602	5,502 x 20% (1100)
<b>Supply</b>			
<b>Commitments</b>			
Large sites with Planning Permission	3433	3073	
Large allocated sites without planning permission	55	0	
NP sites without PP	160	60	
Sites identified in the SHLAA	239	239	
Small sites with planning permission (with 40% discount applied)	317	317	
District Plan allocation at Burgess Hill	515	255	
District Plan allocation at Pease Pottage	150	-	
<b>Total Housing Supply in year 1 - 5</b>	<b>4,869</b>	<b>3,944</b>	
Five year supply	3.68	2.98	Total supply /Total requirement x 5
Deficit over the 5 year period	-1,733	-2,658	

## **JAA Appendix 6 – Comparison of housing requirement, supply and residual requirement**

Utilising information from BP18

	MSDC Nov 2015	MSDC August 2016	JAA
Baseline OAHN	11,407 (671dpa)	12,597 (714dpa)	17,000 1000dpa <sup>17</sup>
Market signals	408 (24dpa)	408 (24dpa)	-
vacancies	272 (16dpa)	272 (16dpa)	-
DTC – Crawley	1003 +105dpa	782 +46dpa	2074 min (+185 dpa)
DTC – Brighton and Hove	0	0	935 min (+313 dpa)
<b>Requirement</b>	<b>13,600 (800dpa)</b>	<b>13,600 (800dpa)</b>	<b>25,466 Min (1,498 dpa)</b>
Completions 2014/16	1,498	1,498	1,498
Total commitments	6,194	5,290	4,760 max <sup>18</sup>
Delivery from Burgess Hill during Plan period	3,500	3,500	2,755
Pease Pottage	600	600	-
Windfalls	495	450	450
Neighbourhood plans / future site allocations DPD/SHLAA	1,730	2,262	1,659
<b>Total Supply</b>	<b>13,600</b>	<b>13,600</b>	<b>11,122 Max</b>
Shortfall			<b>-14,344</b>

<sup>17</sup> Includes market signals, economic forecasts, vacancies but not DTC

<sup>18</sup> 5290 – less 530:

325 sewage treatment works  
55 land north of Rockery Farm, Rocky Lane, Haywards Heath.  
20 as land North of Faulkners Way, Burgess Hill forms part of the Northern Arc  
80 land at Victoria Road Burgess Hill – already in list of large sites with PP  
50 Station Road CP

## **6. DISTRICT PLAN – FOCUSED AMENDMENTS PUBLIC CONSULTATION**

REPORT OF: HEAD OF ECONOMIC PROMOTION & PLANNING  
Contact Officer: Claire Tester  
Email: Claire.testers@midsussex.gov.uk Tel: 01444 477322  
Wards Affected: All  
Key Decision: No  
Report to: Scrutiny Committee for Planning and Economic Development  
Date of meeting: 10 November 2015

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### **Purpose of Report**

1. The purpose of this report is to inform Members of the outcome of the District Plan pre-submission public consultation which took place from 12 June to 24 July 2015. It asks Members to consider the representations made, in particular those relating to the housing numbers.
2. Members are asked to consider a schedule of proposed modifications to the District Plan in the context of an updated Sustainability Appraisal and Habitats Regulations Assessment and other supporting evidence. The Duty to Cooperate Framework endorsed by this Committee on 4 June 2014 is also appended to the report, updated with the work undertaken in this regard since June.
3. Subject to this consideration, the Committee is asked to recommend that Council approve the modifications to the Mid Sussex District Plan 2014-2031 and hold a 'focused amendments' public consultation from 19 November - 31 December 2015 on these specific modifications. Authorisation is also sought to submit the District Plan and relevant documents to the Secretary of State following the consultation.

### **Summary**

4. This report:
  - a) Provides a brief summary of the 299 representations which were received during the recent District Plan pre-submission public consultation.
  - b) Recommends that the objectively assessed housing need for Mid Sussex is increased to 695 dwellings per annum (dpa) and 105dpa provided towards the unmet needs of adjoining authorities, resulting in a total provision figure of 800dpa (or 13,600 over the plan period).
  - c) Explains how this increased figure will be met by:
    - i. Optimising the capacity of the Strategic Housing Land Availability Assessment (SHLAA) through updating the schedule of delivered and committed sites, re-visiting the density of potential sites and reviewing delivery rates;
    - ii. Allocating an additional strategic housing site within the District Plan;
    - iii. Programming a Site Allocations Development Plan Document for anticipated adoption in 2021.

- d) Provides a summary of how the main evidence documents have been updated and outlines the additional work required prior to submission for examination.
- e) Provides a summary of the other proposed modifications to the Pre-Submission Draft District Plan.
- f) Outlines the updates to the Duty to Cooperate Framework reflecting the passage of time and the outcome of the numerous meetings which have taken place with neighbouring and nearby local authorities.

## Recommendations

5. That the Scrutiny Committee recommends to Council that it:
  - (i) approves the modifications to the Mid Sussex District Plan 2014-2031 at Appendix 3 for a ‘focused amendments’ consultation in accordance with the Community Involvement Plan at Appendix 4;**
  - (ii) agrees to publish the updated Sustainability Appraisal and Habitats Regulations Assessment of the District Plan to accompany the above consultation;**
  - (iii) endorses the updated Duty to Cooperate Framework at Appendix 5;**
  - (iv) authorises the Head of Economic Promotion and Planning, in consultation with the Cabinet Member for Planning, to make any necessary minor amendments to the District Plan and supporting documents following the consultation and to submit them to the Secretary of State for Communities and Local Government (i.e. the Planning Inspectorate);**
  - (v) authorises the Head of Economic Promotion and Planning, in consultation with the Cabinet Member for Planning, to suggest any necessary modifications to the District Plan during the examination process to secure its soundness, subject to any necessary public consultation.**

## Background

6. In March 2015 Council agreed the Mid Sussex District Plan 2014-2031 for pre-submission public consultation following the purdah period for the General and Local Elections in May 2015. This consultation was carried out in June and July 2015 and the representations received are summarised below. Modifications to the District Plan are proposed to address some of the representations received and avoid unnecessary debate at the examination.
7. Since March there have been a number of local plan examinations nationally and locally where Inspectors’ findings have been published. Of particular relevance to Mid Sussex are the examinations of Horsham’s and Crawley’s plans since these local authority areas fall within the same Northern West Sussex Housing Market Area. The lessons learnt from these examinations are explored below.
8. Lastly, since the General Election, there has been a clear drive from Central Government to increase housing supply, led by the Prime Minister’s commitment to deliver one million homes by 2020.

## **Representations on Pre-Submission Consultation**

9. A total of 299 representations were received in response to the public consultation during the summer. Of these, 115 were standardised letters organised by a pressure group in East Grinstead and 48 similarly-worded responses from Lindfield residents under the misapprehension that the District Plan had allocated certain sites in Lindfield identified in SHLAA.
10. No objections were received from any of the statutory consultees or neighbouring / nearby local authorities.
11. 55 representations were received from developers/landowners. These included the promotion of additional housing sites from small (~20 units) to large (5000+ units). The key messages arising from these developer responses are as follows:
  - All object to Policy DP5: Housing
  - The Plan's housing number is too low
  - An uplift for Market Signals should have been applied to the housing need number
  - No allowance has been made for neighbouring authority housing shortfalls (and therefore the Duty to Cooperate has not been met)
  - The jobs target in the Northern West Sussex Economic Growth Assessment is not met
  - The affordable housing register underestimates affordable housing need
  - The SHLAA capacity is incorrect (i.e. there is more capacity in the pool of sites than the SHLAA suggests, due to unfavourable assessment of particular sites)
  - There should be a strategy/spatial distribution for neighbourhood plans (Policy DP6: Settlement Hierarchy and its evidence base is therefore questioned)
  - No account has been made for the completions backlog against the housing requirement for Mid Sussex in the South East Plan
  - Housing options have not been assessed correctly in the Sustainability Appraisal (particularly a further option of around 650-700dpa)
  - Of the 23 respondents who suggested alternative housing provision figures, 6 suggested 800dpa or less, 11 were between 808-880 and 6 were over 910.

## **Proposed Modifications to Housing Numbers**

### Housing Numbers – Objectively Assessed Need

12. In the March version of the District Plan, the objectively assessed need (OAN) for housing in Mid Sussex was considered to be 656dpa.
13. The 656dpa figure is the DCLG household projection figure for Mid Sussex. National Planning Practice Guidance on how to calculate OAN for housing states that these projections are the 'starting point' and that local authorities must then consider whether adjustments should be made for factors such as affordable housing need and market signals. These issues were considered at the time and the view taken that no adjustment was needed.

14. Since then we have had the preliminary findings from the examination of the Crawley Local Plan and the final findings from the examination of the Horsham District Planning Framework. These are particularly relevant to Mid Sussex because together the three authorities form the Northern West Sussex Housing Market Area and there are acknowledged strong links between them. Horsham is very similar to Mid Sussex in terms of demography and how the housing market works and both areas have strong housing and economic links with Crawley.
15. The Crawley Inspector in his preliminary findings has indicated that the OAN for Crawley is 675dpa, based on the household projection with no adjustments necessary. The Horsham Inspector noted that the DCLG projection for Horsham is 597dpa but considered that this needed an upward adjustment for vacancy rates and market signals resulting in an OAN of 650dpa.
16. If the same methodology is used for Mid Sussex as it was for Horsham, which would be reasonable given the similarities in demography and housing market, this would result in an adjustment of 2.3% to 656dpa to account for vacancy rates, which takes the baseline figure to 671dpa, and an increase of 24dpa to account for market signals, which brings the final OAN to 695dpa. More detail on how these figures were reached is contained in the updated Housing and Economic Development Needs Assessment (see Appendix 1 for the relevant extract).
17. It is therefore recommended that the OAN for Mid Sussex in the District Plan be amended to **695dpa**.

#### Housing Numbers – Proposed Provision

18. In March 2015 the proposed provision number for the District Plan was 650dpa (or 11,050 dwellings over the period 2014-2031). This did not include any provision for accommodating the unmet needs of neighbouring authorities.
19. Paragraph 14 of the National Planning Policy Framework (NPPF) states that:
 

“Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:

  - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
  - specific policies in this Framework indicate development should be restricted.”
20. Paragraph 182 of the NPPF sets out the criteria for the ‘soundness’ of a Local Plan, including that it must be
 

“**Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development”.
21. The extent of the unmet needs of neighbouring authorities was assessed in the ‘Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan’ published in February 2015. This study established that the two areas with unmet needs with the strongest migration and commuting links with Mid Sussex are Crawley (links with the whole of Mid Sussex) and Brighton & Hove (the southern part of Mid Sussex only).



22. This study assessed the sustainability impacts on Mid Sussex of accommodating some or all of the unmet needs of neighbours; and the impacts on the neighbouring authorities if it didn't. It established that options that resulted in more than 800dpa being delivered in Mid Sussex overall would give rise to significant impacts.
23. The study also assessed eleven broad locations for accommodating any unmet needs from neighbours, and found that locations around the three Mid Sussex towns and to the south of Crawley were the most sustainable.

#### Relevant Inspector Findings

24. The Crawley Inspector has confirmed that a modification will be required to policy H1 of the Crawley Plan stating:

“There will be a remaining unmet housing need, of approximately 5,115 dwellings, arising from Crawley over the Plan period. The council will continue to work closely with its neighbouring authorities, particularly those which form the Northern West Sussex Housing Market Area, in exploring opportunities and resolving infrastructure and environmental constraints in order to meet this need in sustainable locations. This will include continued assessment of potential urban extensions to Crawley”.
25. The Horsham Inspector has agreed a housing provision figure of 800dpa for Horsham District, including 150dpa towards Crawley's unmet need. He commented:

“Following the hearings at the Crawley examination, it has been agreed that Crawley can meet only about 334 dpa of the OAN figure of 675 dpa, leaving a shortfall of 340 dpa. 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”.
26. In June 2015 Brighton and Hove City Council updated its OAN figure to 30,120 homes over the 2010-30 period, of which it is planning to provide 13,200 resulting in an unmet need of 16,920. It should be noted that the Horsham Inspector commented that:

“I remain unconvinced of any considerable degree of overlap between the NW Sussex HMA and that of the coastal authorities to the south. The needs of Brighton and other nearby coast towns arise from the strong migratory pull of those wishing to live in a town by the sea; these pressures are not the same as those generated by smaller inland towns or rural communities”.

#### Capacity of Mid Sussex to accommodate development

27. In light of the significant level of unmet need in neighbouring authorities, and the requirements of the NPPF paragraphs 14 and 182, a robust review has been carried out on the capacity of Mid Sussex to accommodate development. This evidence is contained in the 'Capacity of Mid Sussex District to accommodate development' and the 'Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan', both produced by Land Use Consultants.
28. The Sustainability Appraisal of the District Plan uses the results of the above studies, and other relevant evidence, to test the impact of various levels of development. It concludes that 800dpa is the tipping point beyond which the environmental impacts on the District significantly and demonstrably outweigh any social and economic benefits of new development.

29. As a result it is recommended that the proposed provision figure be increased to **800dpa**, which would provide 105dpa towards the unmet needs of neighbouring authorities, primarily Crawley.

#### Delivery of Housing Numbers

##### *Optimising the SHLAA*

30. The sources of housing supply in Mid Sussex are identified in the Strategic Housing Land Availability Assessment (SHLAA). The assumptions in this assessment have been reviewed in the following ways:
- the schedule of delivered and committed sites has been updated to reflect completions and permissions as at 1<sup>st</sup> November 2015;
  - the timing and delivery rates of sites have been reviewed taking into account representations received from site promoters and progress made on neighbourhood plans;
  - the densities assumed for potential sites have been reviewed taking into account the need to make best use of land within the constraints of good design. This review is supported by a recommended modification to the District Plan to include a density policy to give the Council more control over densities of new development.

##### *Review of Strategic Sites*

31. The strategic sites (500 homes or more) identified in the Sustainability Appraisal have also been reviewed to establish whether any of them could reasonably and sustainably assist in meeting the unmet needs of neighbouring authorities, particularly in the light of representations received from the site promoters at publication and pre-application stage. This work is set out in the Site Selection Paper at Appendix 2 and has resulted in the proposed allocation of a further strategic site for 600 dwellings at Hardriding Farm, Pease Pottage.
32. The outcome of the above work is that the Council is able to:
- demonstrate a robust five year supply of housing against 800dpa (including a 20% buffer as required by the NPPF)
  - demonstrate a reasonable level of certainty about the source of the 800dpa for years 2021-2025 of the plan period.

##### *Site Allocations Document*

33. Beyond 2025 the source of housing sites is less certain. Therefore it is recommended that a Site Allocations Development Plan Document be programmed for adoption by 2021, or sooner if monitoring of the housing supply and delivery demonstrates that it is required. This will ensure that the Council maintains a rolling five year supply and is not therefore at risk from 'planning by appeal'.

### *Impact on Neighbourhood Planning*

34. In carrying out the above review, care has been taken to avoid conflicts with made or advanced neighbourhood plans. There will be no necessity for the current generation of neighbourhood plans to increase their housing numbers. However, if Town and Parish Councils wish to review their made plans to increase numbers this will reduce the amount of sites that need to be found in the Site Allocations Document.

### **Updates Required To Evidence Base**

35. The Sustainability Appraisal and Habitats Regulations Assessment have been updated and the Executive Summaries are appended to this report. The full reports are background papers and will need to be published alongside the focused amendments consultation on the District Plan.
36. An update has been prepared to the Housing and Economic Development Needs Assessment, which was originally published in February 2015. The HEDNA Update includes the detailed calculations with regards to the latest household projections, vacancy rate and market signals uplift upon which this report is based. The key parts of this document are appended to this report.
37. The other evidence work that will need to be updated prior to submission are the Mid Sussex Transport Study and the Infrastructure Delivery Plan. Preliminary findings on the impact of 800dpa on the transport network indicates that this number can be accommodated but further work is being undertaken to identify any further transport interventions that will be needed. These will then be fed into the updated Infrastructure Delivery Plan together with any other additional infrastructure requirements identified through the consultation.

### **Other Proposed Modifications**

#### Density

38. As referred to above, it is recommended that a new policy be added on the appropriate density of new development to make best use of land and optimise the sites within the housing supply. This will reduce the need to allocate further greenfield sites.
39. The NPPF requires planning policies and decisions to ensure that development optimises the potential of the site to accommodate development. The old PPG3 previously specified 30 dwellings (dph) per hectare as a minimum standard. Whilst this national standard no longer exists, 30 dph can be considered as a benchmark density for an average site.
40. Work has been undertaken to examine the density of developments that have been permitted. Of the sites surveyed:
- infill/brownfield sites have been developed at a higher density, over 200 dph for town centre sites and 100 dph for other sites in the built up area
  - The work has also shown that sites that have been allocated, and therefore subject to a policy requirement to develop to a set density, have delivered an average of 29 dph
  - Sites that have come forward as greenfield windfalls have been delivering an average density of 22 dph.

41. In order to ensure that the development potential of sites is optimised a density policy is proposed in the Plan. This proposes a range of minimum densities depending on site location, from 30 dwellings per hectare on small greenfield sites to 70 dwellings per hectare in town centres.

#### Burgess Hill Northern Arc Strategic Development

42. Pre-application negotiations have commenced on the Northern Arc and the Council has agreed to allocate additional resources to ensure that this important development for Mid Sussex comes forward in an appropriate way and delivers the necessary infrastructure. To assist with this some modifications are proposed to policies DP7 and DP9 to strengthen the Council's position and make it clearer to the developers what is required from the strategic development.

#### Pease Pottage

43. The allocation of an additional strategic site is proposed to the east of Pease Pottage for 600 dwellings; a primary school and hospice (see section above on Delivery of Housing Numbers and Appendix 2 on Site Selection). This has required an additional policy setting out the criteria for the development on this site.

#### Other Modifications

44. The other main suggested alterations include:
- A commitment to produce a Site Allocations document for adoption in 2021 or earlier if required (see section above on Delivery of Housing Numbers);
  - A reversion to our previous affordable housing thresholds (as proposed in the Consultation Draft version) because the Government's practice guidance on the issue was quashed in the High Court in July 2015;
  - Updates to reflect revisions to Government policy on self-build homes, energy efficiency, housing and accessibility standards, and gypsies & travellers; and
  - Some relatively minor changes in wording in response to representations received during the Pre-Submission consultation.

#### **Updates to the Duty to Cooperate Framework**

45. In accordance with the previous Planning Inspector's advice, a Duty to Cooperate Framework was drafted and agreed in order to support and evidence a structured approach to engagement on strategic planning issues with neighbouring and nearby local authorities and relevant public bodies.
46. As a result of the organic nature of the Duty to Cooperate and the outcomes of the numerous local authority meetings, changes to the cross-boundary strategic planning issues originally identified have been made. The Duty of Cooperate Framework has therefore been refreshed to reflect these and an updated version of the document is attached at **Appendix 5**. Track changes have been used to highlight all of the proposed amendments. Members are recommended to endorse this revised version of the document which will be submitted to the Planning Inspectorate.

47. To meet the ongoing nature of the duty to cooperate work a programme of meetings with officers and Members of all the neighbouring and nearby local authorities have been held with the aim of securing signed Memorandums of Understanding (MoUs) to confirm respective approaches towards addressing cross-boundary issues. MoUs have been signed with all of the relevant authorities. In the case of housing market area partners Crawley and Horsham, the previous joint Position Statement has twice been updated, but will require a further revision to reflect Horsham and Mid Sussex District Councils' latest housing numbers.
48. The relevant public bodies to which the duty to cooperate applies have been invited to sign Statements of Common Ground. At the time of writing, statements have been signed with Natural England, Environment Agency, South East Water and Thames Water. It is expected that the outstanding statement with Highways England will be signed before submission on completion of the additional transport work.

### **Policy Context**

49. The District Plan is being developed to reflect the area's Sustainable Communities Strategy. The 'Mid Sussex Sustainable Communities Strategy' has a vision of:

"A thriving and attractive District, a desirable place to live, work and visit. Our aim is to maintain, and where possible, improve the social, economic and environmental wellbeing of our District and the quality of life for all, now and in the future."

50. This vision is underpinned by four priority themes that promote the development of sustainable communities:

*"Protecting and enhancing the environment  
Promoting economic vitality  
Ensuring cohesive and safe communities  
Supporting healthy lifestyles"*

51. The District Plan is based on the above vision and themes, and is intended to be the implementation tool for achieving the planning aspects of this vision.

### **Other Options Considered**

52. There is the option of not modifying the District Plan in the ways suggested in this report. That is not recommended as to do so would risk extending the District Plan public examination hearing sessions and/or the Planning Inspector's report writing time. This would result in a longer period during which the Council cannot demonstrate a five year housing land supply, and further risk of 'planning by appeal'.

### **Financial Implications**

53. There are no financial implications of this report.

### **Risk Management Implications**

54. Strategic Risk 2 for this year is "Failure to resubmit a District Plan ... which meets community needs and aspirations, protects Mid Sussex from inappropriate development", and which "meets the tests of legality and soundness at examination."

### **Equality and Customer Service Implications**

55. The Equalities Impact Assessment for the District Plan has been reviewed in the light of the changes proposed and no changes to it are considered necessary.

## **Other Material Implications**

56. There are no other material implications.

## **Background Papers**

District Plan 2014-2031 – Pre-submission version  
Updated Sustainability Appraisal  
Updated Habitats Regulations Assessment

The above documents and other relevant evidence documents can be viewed at  
<http://www.midsussex.gov.uk/planning/8264.htm>

## **Appendices**

1. Extract from updated HEDNA
2. Strategic housing sites selection paper
3. Schedule of proposed modifications to the Pre-Submission Draft Mid Sussex District Plan 2014 – 2031
4. Community Involvement Plan
5. Updated Duty to Cooperate Framework
6. Executive Summary of updated Sustainability Appraisal
7. Executive Summary of Habitats Regulations Assessment

## **Appendix 2 - Strategic Site Selection Paper**

### **Background**

The District Plan seeks to meet housing needs through the allocation of strategic sites and encouraging Neighbourhood Plans to allocate smaller scale non-strategic sites to meet local needs.

In the context of the District Plan, a site of 500 units and above is considered a significant size to meet local housing needs, trigger the need for additional services (at a strategic level) and contribute towards meeting housing needs across the Housing Market Area. This is an approach that has been agreed by the Northern West Sussex Housing Market Area authorities (Mid Sussex, Crawley and Horsham Councils).

Sites capable of delivering fewer than 500 units are for the Neighbourhood Plans to consider for potential allocation. However, should the District Council need to allocate further sites this will be done through a Site Allocations Development Plan Document.

### **Site Selection**

The Strategic Housing Land Availability Assessment (SHLAA) has identified a number of strategic sites that have potential to deliver 500 units and above. Those that met at least two of the SHLAA site assessment criteria (suitability, availability and achievability) were then assessed through the Sustainability Appraisal.

The assessment and a map showing the location of these sites is included in the Executive Summary of the Sustainability Appraisal at Appendix 6. The sites assessed are listed in Appendix 1a of this paper together with information about their deliverability.

The first two sites on this list, Site A, land to the north and north east of Burgess Hill (the Northern Arc) and Site B, land east of Burgess Hill at Kings Way, are allocated in the emerging District Plan. The Northern Arc is at pre-application stage with three planning applications expected shortly. The site at Kings Way has planning permission and is under construction.

In order to be able to meet the revised housing target of 800 dwellings per annum, it will be necessary to allocate a further strategic site, capable of delivering at least part of its capacity within the first five years to support a robust five year housing land supply. Strategic sites generally take longer to get to delivery stage than smaller sites due to their complexity, infrastructure requirements and site construction preparation. Therefore it is considered that, to be supported as an additional allocation in the District Plan, a site should be at least at pre-application stage, capable of some delivery within the first five years of the plan, with the negotiations on the development principles and accompanying infrastructure already well advanced.

Of particular relevance to site selection is a consideration of the fundamental purpose of providing housing in the district in addition to the objectively assessed number for Mid Sussex, which is primarily to address the unmet housing needs of the housing market area; and the neighbouring authorities; as far as is consistent with the principles of sustainable development.

The 'Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan' established that the two areas with unmet needs with the strongest migration and commuting links with Mid Sussex are Crawley (links with the whole of Mid Sussex) and Brighton & Hove (the southern part of Mid Sussex only). The study also assessed eleven broad locations for accommodating any unmet needs from neighbouring authorities, and found that locations around the three Mid Sussex towns and to the south of Crawley were the most sustainable. Recent Inspector findings into the Crawley and Horsham Local Plans have confirmed that meeting Crawley's unmet needs should be the priority for the Northern West Sussex Housing Market Area, which includes Mid Sussex.

### Shortlisted Sites

There are only two sites in Appendix 1a that meet the deliverability and locational criteria above:

- Site J) Land east of Northlands Brook and south of Scamps Hill (Lindfield) SHLAA ref: #483
- Site M) Hardriding Farm, Brighton Road (Pease Pottage) SHLAA ref: #666

### Site J) Land east of Northlands Brook and south of Scamps Hill, Lindfield

This site is located to the north east of Lindfield, to the east of a recently permitted site for 235 dwellings which is currently under construction. The site was assessed in the SHLAA as available and achievable but was deemed unsuitable due to landscape impact. This assessment was audited by Land Use Consultants in January 2015 as part of a review of the landscape and visual impacts of the SHLAA. LUC commented that, with the exception of two small pockets adjacent to the Lewes Road, the rest of the site has a "low suitability for development".

Pre-application proposals from the site promoter have attempted to take account of these landscape sensitivities, but in doing so they have reduced the scale of the development to 188 homes. Regardless of the planning merits of these proposals, it is considered that this is no longer a strategic site and it would not therefore be appropriate for it to be allocated in the District Plan.

It should be noted that the Lindfield and Lindfield Rural Neighbourhood Plan has recently passed examination and is due to go to referendum early 2016. The Plan does not allocate this site. If a planning application is submitted for this site, then it will be considered in the normal way against the current development plan. Otherwise any future allocation would depend on a review of the Neighbourhood Plan or inclusion in the Site Allocations Development Plan Document.



### Site M) Hardriding Farm, Brighton Road, Pease Pottage

This site is located to the south of Crawley adjacent to the M23 and the Pease Pottage Service Station. The site is within but close to the edge of the High Weald AONB, however the quality of the landscape and the potential visual impact of development across the site is variable. On the western side of the site, adjacent to the service station and the motorway, the quality of the landscape is particularly poor and there is potential for development to enhance the quality of the area.

The site was assessed in the SHLAA as available and achievable but was deemed unsuitable for strategic development due to its AONB location. This assessment was audited by Land Use Consultants who commented that the site “could potentially accommodate a medium-high development yield”. They go on to caveat that “any proposals would need to ensure that they would not have significant adverse effects on the AONB. Siting of development in relation to the undulating landform and any key views would be an important consideration. Development of the highest quality which pays consideration to the surrounding landscape character would be vital, as well as an appropriate landscape design scheme with buffers to the surrounding ancient woodland”.

Pre-application discussions have taken place for a development on the site. This proposes 600 dwellings at a density of approximately 30 dwellings per hectare, a hospice with community café and a primary school. Whilst this density is low compared to the 45 dwellings per hectare in the District Plan’s density policy DP24A, it is considered reasonable given the site’s AONB location and the consequent need to mitigate its landscape impact.

In locational terms, the site’s proximity to Crawley is an advantage given the objective of addressing some of Crawley’s unmet housing needs. It also has sustainability benefits given the good bus links into Crawley (every hour and a 10 minute journey). The service station opposite the site entrance includes a small convenience store which, whilst primarily a facility for motorists, provides an opportunity for meeting everyday needs. The health and education provision proposed on the site improve its sustainability scores.

On the negative side, the site’s AONB location requires the development to be considered in the light of paragraph 116 of the NPPF, which says that major development should only be permitted in the AONB in exceptional circumstances where it can be demonstrated that they are in the public interest. Relevant considerations include:

- The need for the development;
- The scope for developing elsewhere outside the designated area; and
- Any detrimental effect on the AONB characteristics and the extent to which this could be moderated.

Other matters that weigh against the proposed development are that it has a poor relationship with the existing village of Pease Pottage and is separated from Crawley by the motorway. Work is also being undertaken with West Sussex County Council and Highways England to ensure that access can be satisfactorily gained to the site without exacerbating current queuing for junction 11 of the M23. It is thought likely at

this stage that there are viable mitigation measures that could be put in place such as improved signalisation of the roundabout.

With regard to the paragraph 116 tests for development in the AONB, the exceptional circumstances in this case are that:

- There is a significant level of unmet need from neighbouring authorities and national policy in paragraph 182 of the NPPF is that this need should be met where it is reasonable to do so and consistent with achieving sustainable development. Not meeting or contributing to meeting these needs would result in adverse social and economic impacts for those neighbouring authorities as set out in the Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan;
- The primary purpose of providing additional housing above the OAN for Mid Sussex is to address the unmet needs of Crawley. This can be best achieved by developing a strategic site adjacent to Crawley. There is no other site outside of the AONB adjacent to Crawley that could deliver housing within five years (other than the site already committed west of Copthorne). It should be noted that this locational advantage has resulted in other sites being permitted in the AONB close to Crawley, such as the Hemsleys Nursery Site in Pease Pottage (65 dwellings) and the Service Station itself;
- As mentioned above, the quality of the western part of the site is currently poor and there is potential to enhance the appearance of this part of the AONB through sensitive development. Care will need to be taken to protect views in and out of the site and take account of the High Weald AONB Management Plan objectives in the design of the development.

The development of this site will undoubtedly cause harm and would not normally be considered acceptable. However, given the significant unmet needs of Crawley and the site's proximity to that town, on balance it is considered that the adverse impacts of allocating this site would not significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole, and therefore it should be selected as an additional strategic site to be allocated in the District Plan.

# Appendix 1a

Site	Capacity	Deliverability <span>Good</span> <span>Medium</span> <span>Poor</span>
A) Land to the North of Burgess Hill (known as the 'Northern Arc') SHLAA ref: #493	3,385	At pre-application stage, applications expected November 2015
B) Land to the East of Burgess Hill (East of Kings Way) SHLAA ref: #233	500	Permitted and under construction
C) Land to the South of Burgess Hill (South of Folders Lane) SHLAA ref: #557	1,000	No recent promotion (for whole site)
D) Land to the West of Burgess Hill (West of Jane Murray Way) SHLAA ref: #740	1,500	Promoted at District Plan publication stage but with no details
E) Land to East/South of Crawley (Crabbet Park) SHLAA ref: #18	2,300	No recent promotion
F) New Market Town (Sayers Common area) SHLAA ref: #678	10,000 (5,000 in Mid Sussex)	Promoted at District Plan publication stage but given the outcome of the Horsham examination, delivery within the first five years is unlikely
G) Land North of Cuckfield Bypass (Cuckfield) SHLAA ref: #240	500	No recent promotion
H) Land adj. Great Harwood Farm (East Grinstead) SHLAA ref: #17	600	No recent promotion and an appeal for 25 units on an adjacent site dismissed.
I) Land north east of Lindfield (Lindfield) SHLAA ref: #498	1,200	No recent promotion
J) Land east of Northlands Brook and south of Scamps Hill (Lindfield) SHLAA ref: #483	500	At pre-application stage but only being promoted for 188 dwellings due to landscape constraints.
K) Haywards Heath Golf Course (Haywards Heath) SHLAA ref: #503	500	Some recent interest in promoting but no details
L) Eastlands, Lewes Road (Scaynes Hill) SHLAA ref: #515	630	No recent promotion
M) Hardriding Farm, Brighton Road (Pease Pottage) SHLAA ref: #666	500	At pre-application stage, application expected November 2015
N) Land South of Pease Pottage (Pease Pottage) SHLAA ref: #603	660	No recent promotion
O) Land at Lower Tilgate (Pease Pottage) – approx. 1,750 dwellings. SHLAA ref: #243	1,750	No recent promotion other than of site M, which is included within this site
P) Broad Location North and East of Ansty SHLAA ref: #736	2,000	Promoted at District Plan publication stage but with no details



Nathaniel Lichfield  
& Partners

Planning. Design. Economics.

**Mid Sussex**

**Review of Evidence and Objectively  
Assessed Needs**

Wates Developments

November 2016

15322/MS/BHy

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## Executive Summary

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This report has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Wates Developments (Wates) in the context of the emerging Mid Sussex District Plan. It provides a review of the Council's evidence on objectively assessed housing needs (OAN) and presents an alternative assessment of needs for the District, in line with the PPG.

### Review of Council's Evidence

The emerging Mid Sussex District Plan makes provision for 800 dwellings per annum; 754 dpa to meet the District's own housing needs, and a further 46 dpa to meet some of the unmet needs from elsewhere in the region. The Council's OAN is based on the Housing and Economic Development Needs Assessment Update (HEDNA Update) (EP 21) published in November 2015 and subsequent Addendum (August 2016) (EP 22). However, it is considered these do not represent a suitable, robust or PPG compliant assessment of need for the following reasons;

- 1 They give no account to demographic evidence which shows population growth in Mid Sussex will likely be higher than that shown in the official population projections, in particular the impact of migration movements with Greater London;
- 2 They conflate an adjustment for household formation in younger age groups with the adjustment for market signals, despite the PPG being clear that these are separate elements of the assessment and, therefore, underestimates the adjustments needed to the base projections;
- 3 The Council has justified the emerging requirement based on job growth of 294 per annum drawn from the estimated job growth of the Plan's employment allocations. This is contrary to the PPG which is clear assessments of need should not be constrained by the supply of land and that estimates of job growth should be based on economic forecasts and/or past trends. This level of job growth is also significantly below the two forecasts from the Council's most recent economic studies which draw upon Experian forecasts (the EGA and BHESS); and
- 4 The assessments of affordable housing need use net rather than gross household formation when calculating affordable housing needs which is contrary to the PPG and introduces an element of double-counting with re-lets (which allows for household dissolutions), ultimately down-playing the true assessment of need. It also includes 1,223 dwellings of committed supply, however, this should not be used to offset needs in the initial needs assessment as it still must be delivered in order to meet that need (i.e. it is still 'need').

Overall the HEDNA Update and Addendum are not robust bases upon which to objectively assess the housing needs of Mid Sussex. In a number of ways they contradict the recommended approach within the PPG and subsequently significantly underplay the true level of housing need in the District.

## Objectively Assessed Need – Mid Sussex

The most recent official population and household projections are the ONS/CLG 2014-based projections, and over the Council's Plan period these show growth of 714 households per annum, translating into a need for 730 dwellings per annum (taking account of second home/vacancy rates). Taking into account the most recent mid-year estimates (2015), as well as changes in migration patterns from London, the additional population growth would result in a need for between 758 and 806 dwellings per annum. Allowing for some improvement in housing outcomes in younger adults, whereby household formation rates return (in part) to the pre-recession rates by 2033 would result in a need for 784 to 833 dwellings per annum. It is considered this is the most appropriate estimate of baseline demographic-led need for Mid Sussex.

The level of job growth set out in the Council's latest economic evidence<sup>1</sup> suggests there is a need for between 812 and 853 dwellings per annum (including an allowance for partial catch-up headship rates), which is broadly in line with the demographic-led scenarios. This suggests that this level of job growth is not unrealistic (as suggested by the Council) and reinforces the demographic-led needs. Analysis of market signals for Mid Sussex suggests that the area performs particularly poorly compared with West Sussex county and England overall in terms of house prices, affordability and the cost of rents. When compared to other areas where Inspectors have accepted uplifts of between 10% and 20%<sup>2</sup>, it is considered applying a 25% uplift to the demographic-led needs is appropriate in Mid Sussex and this would equate to a need for between 980 and 1,041 dwellings per annum. To meet full affordable housing needs would require at least 1,267 dwellings per annum, further supporting a significant uplift to the housing figure, and as such **the full, objectively assessed need for housing for Mid Sussex District for the period 2014-31 is considered to be 1,000 dwellings per annum.**

## Unmet Housing Needs

Mid Sussex District will need to at least test provision within the Local Plan process in order to help meet unmet needs from across the region (from within the Northern West Sussex HMA, the Coastal West Sussex HMA, particularly Brighton & Hove, and other neighbouring authorities). Within the Northern West Sussex HMA (Crawley, Horsham and Mid Sussex) there is currently a total of 342 dwellings per annum of unmet need (from Crawley), of which 150 dpa is currently accounted for by planned provision in Horsham. This means there is a remaining 185 dpa of unmet need from Crawley which, at a minimum (as the only remaining authority in the HMA) Mid Sussex should be reflecting in the housing needs which should be accommodated.

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<sup>1</sup> The Northern West Sussex Economic Growth Assessment (NLP, 2014) and the Burgess Hill Employment Sites Study (March 2015)

<sup>2</sup> Eastleigh Borough Local Plan Inspector – advocated 10% for 'modest' market signals. Canterbury Local Plan Inspector – accepted exploration of 20% uplift for 'more than modest' market signals.

In addition to the Northern West Sussex HMA, Mid Sussex is also linked to the Coastal West Sussex HMA (Adur, Arun, Brighton and Hove, Chichester, Lewes and Worthing) with particularly strong commuting and migration links with Brighton and Hove. This HMA also has a significant amount of unmet needs, largely due to the constraints from the South Downs National Park, amounting to 1,496 dwellings per annum. In addition, across the rest of West Sussex (including Wealden which directly borders Mid Sussex) there is a further 778 dwellings per annum of unmet housing need.

In addition to Mid Sussex' own District housing needs, the Council will need to actively explore the extent to which it could meet the unmet housing needs of the wider HMAs which Mid Sussex is related to, in order to address NPPF paragraph 47 and the "*positively prepared*" test of soundness contained within NPPF paragraph 182.





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## 1.0 Introduction

- 1.1 This report has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Wates Developments (Wates). It provides a review of Mid Sussex District Council's (MSDC) position on housing provision in the emerging Local Plan; the Mid Sussex District Plan (Focused Amendments to the Pre-Submission Draft District Plan, November 2015), in the context of Wates' interests within the District.
- 1.2 This report does not consider site specific issues. Rather, it reviews the Council's existing evidence on housing needs and establishes the scale of need and demand for housing in the District based on a range of housing, economic and demographic factors, utilising NLP's HEaDROOM Framework. This is NLP's bespoke framework for identifying locally generated housing needs and, since its conception in July 2010, has been applied in over two hundred studies across the country, including on behalf of a number of Local Authorities in evidence base studies (including SHMAs) to underpin their Local Plan process.

## Policy Context

- 1.3 The National Planning Policy Framework (NPPF) sets out how Local Planning Authorities (LPAs) should consider their objectively assessed housing needs (OAHN) when preparing their Local Plan, and the Planning Practice Guidance (PPG) sets out an approach to how these needs should be assessed.
- 1.4 The Government's policy approach to planning has been focused on applying the principles of 'localism' to give LPAs greater autonomy in planning for housing and, in particular, setting local housing requirements in their development plans.
- 1.5 The NPPF outlines the approach to plan-making whereby LPAs are responsible for establishing housing requirement figures in new Local Plans. Paragraph 47 states:  
*"To boost significantly the supply of housing, local planning authorities should:*  
*- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area..."*
- 1.6 The NPPF provides the context against which housing requirements in Local Plans should be prepared. In his statement to Parliament on 6 September 2012, the [former] Secretary of State confirmed that:  
*"The Localism Act has put the power to plan back in the hands of communities, but with this power comes responsibility: a responsibility to meet their needs for development and growth, and to deal quickly and effectively with proposals that will deliver homes, jobs and facilities".*

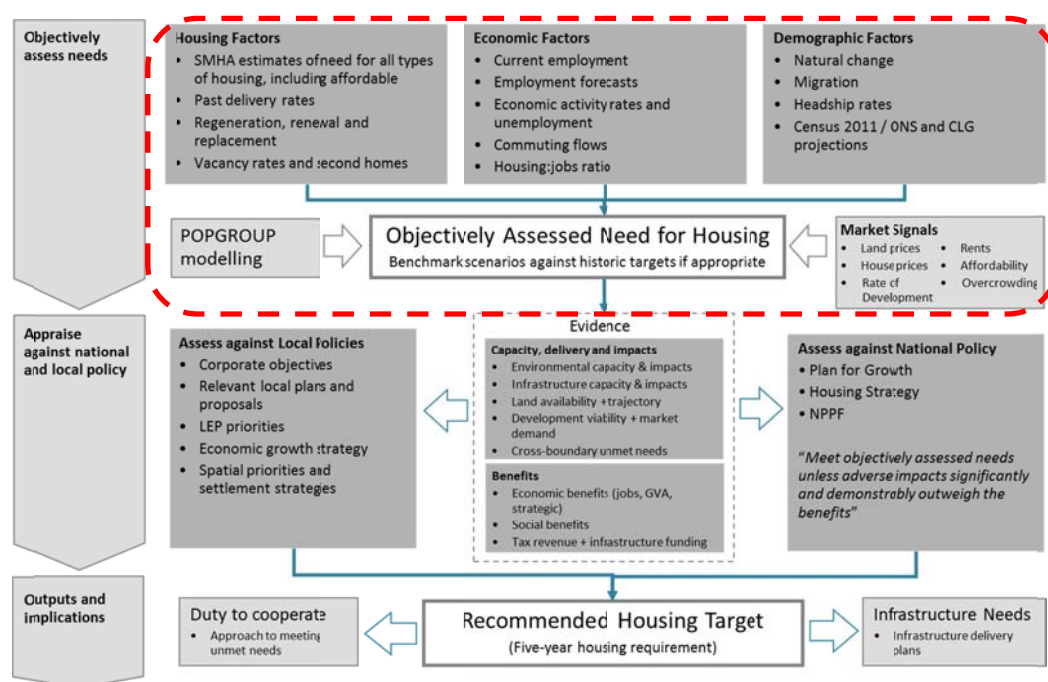
- 1.7 The NPPF is supplemented by the PPG which was published as an online tool in March 2014. The PPG provides an overarching framework for considering housing needs, setting out a broad methodology that is “*strongly recommended*”, but also acknowledges that:

*“There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need”* (ID 2a-005).

## HEaDROOM Framework

- 1.8 At the present time there is no commonly agreed or prescribed approach for Local Planning Authorities (LPAs) and other bodies to follow in setting local housing requirements. In response to the need to structure the approach to setting local housing requirements NLP developed an analytical framework for defining an objective assessment of need and the quantum of housing that should be planned for through Local and Neighbourhood Plans. The HEaDROOM framework (so-called due to the **H**ousing, **E**conomic and **D**emographic factors that feed into it) provides the basis for assembling and presenting evidence on local housing requirements in a transparent manner.
- 1.9 A central component of the framework is an understanding of the role of housing in ensuring that the future population of a locality can be accommodated (taking account of the dynamics of housing markets and other material factors) and the extent to which housing plays a crucial role in securing the economic growth and housing needs of a local area, meeting the requirements of the NPPF. HEaDROOM therefore closely follows the advice contained within the PPG. This framework, as it relates to the work NLP has been commissioned to carry out in respect of Mid Sussex, is set out in Figure 1.1. Since its conception in July 2010, the HEaDROOM framework has been applied in over 200 studies across the country.

Figure 1.1 HEaDROOM Framework



Source: NLP

## Report Structure

1.10

This report is set out under the following headings;

- **Section 2.0** – This section reviews Mid Sussex's evidence on housing needs, including comparing this with policy and guidance, as well as recent High Court Judgments and Inspector's findings where appropriate;
- **Section 3.0** – This section sets out NLP's objective assessment of housing need for Mid Sussex, taking into account demographic factors, market signals, economic-led housing needs and affordable housing needs;
- **Section 4.0** – This section looks at the potential level of unmet housing needs from across the Housing Market Area (HMA). This will place upward pressure on the level of housing provision set out in the Local Plan for Mid Sussex to provide housing over-and-above its own needs;
- **Section 5.0** – This section briefly considers the potential changes to planning policy and guidance as a result of the Government's consultation this summer, in particular how this may affect the way Local Authorities are required to calculate and address housing needs;
- **Section 6.0** – This section presents overall conclusions.



2.0

## Review of Evidence for Mid Sussex

### Terminology

2.1

This review refers to both ‘objectively assessed needs’ (OAN) and ‘housing requirements’, which are distinct terms. The below sets out an explanation of the terminology used<sup>3</sup>:

- **Objectively assessed housing need** – the objectively assessed need for housing in an area broadly encompasses demographic needs, analysis of market signals, economic factors and provision for all types of housing (including affordable), not taking into account any policy considerations concerning the ability to meet these housing needs.
- **Housing requirement** – this figure reflects not only the objectively assessed need for housing, but also any policy considerations that might require that figure to be manipulated to determine the actual housing target for an area. For example, built development in an area might be constrained by the extent of land which is the subject of policy protection, or an area may be required to provide more housing to meet unmet needs from neighbouring areas. Once these policy considerations have been applied to the figure for full objectively assessed need for housing in an area, the result is a housing requirement figure.

2.2

In the case of Mid Sussex, the District Plan housing requirement is likely to need to include housing to meet both its own needs and unmet needs from elsewhere within the HMA (and across Sussex). NPPF Paragraph 47 requires that housing needs are assessed and met at the HMA level, albeit the Council only present evidence at the District level. Therefore, Mid Sussex’s housing requirement is likely to be in excess of a District derived OAN, to include OAN arising in the rest of the HMA and adjoining areas.

### Current Local Plan Progress

2.3

In July 2013 Mid Sussex District Council (“the Council”) submitted the Mid Sussex District Plan to the Secretary of State. The Plan Inspector concluded following an exploratory meeting that he was not satisfied the Council had met the Duty to Cooperate, particularly with regards to the issue of unmet need across the housing market area stating:

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<sup>3</sup> This accords with the 2014 Solihull High Court Decision, (1) Gallagher Homes Limited and (2) Lioncourt Homes Limited v Solihull Metropolitan Borough Council [2014] EWHC 1283

*“I understand the conclusions that the Council has drawn with regard to accommodating additional growth but those findings do not appear to be based on collaborative working or effective co-operation with other bodies. It may be that the Council’s conclusions are correct but on the evidence before me I am unable to confirm that Mid Sussex District Council has given adequate consideration to helping meet the development needs of other nearby local planning authorities.”<sup>4</sup>*

- 2.4 The Plan was formally withdrawn by the Council in May 2014.
- 2.5 In June 2015, the Council published a new District Plan (BP2), which set a housing target of 11,050 dwellings between 2014 and 2031, equivalent to 650 dwellings per annum. Following consultation on this Pre-Submission draft the Council then published its Focused Amendments to the Pre-Submission Draft in November 2015 (BP3). This stated that the level of housing provision in the Plan had increased to 13,600 over the plan period, or 800 dwellings per annum. The most recent ‘Schedule of Further Modifications’ (August 2016) maintained this housing requirement of 800 dwellings per annum (BP3 and BP1).
- 2.6 This housing requirement is made up of two elements; the District’s own OAN (now considered by the Council to be 754 dwellings per annum) and a further 46 dpa to meet some of the unmet needs from elsewhere in the HMA (See BP4). The Council’s evidence and position on OAN is principally drawn from;
- 1 The Housing and Economic Development Needs Assessment (HEDNA) (February 2015) (“the original HEDNA”) (EP20);
  - 2 The HEDNA Update (November 2015) (“the HEDNA Update”) (EP21)
  - 3 The HEDNA Addendum (August 2016) (“the Addendum”) (EP22); and
  - 4 The clarifications provided by Mid Sussex District Council to the Inspector’s initial questions on housing (MSDC1) .
- 2.7 In addition to the above, a June 2015 iteration of the HEDNA was produced by the Council, but has subsequently been removed from the Council’s evidence base for reasons unknown.
- 2.8 The evidence on unmet needs is contained within the Council’s Sustainability Appraisal (March 2015) (“SA”) and Sustainability Appraisal Update (November 2015) (“SA Update”, EP7). This section reviews the original HEDNA, HEDNA Update and Addendum to determine whether they represent a suitable and robust assessment of OAN; the evidence on unmet needs and housing provision (related to the SA and SA Update) is examined in Section 4.0 of this report.

## The Correct Housing Market Area

- 2.9 The NPPF requires OAN to be assessed and met at the Housing Market Area (HMA) geography. HMAs are not precise boundaries, often overlapping and

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<sup>4</sup> Para 41 of Inspector’s Conclusions into Mid Sussex District Plan (2<sup>nd</sup> December 2013).

rarely precisely following administrative boundaries, but are intended to reflect the functional market linkages places have between each other and provide the building blocks for bringing forward plan strategies which can address large than local issues, such as housing needs. In addition the NPPF tests of soundness at paragraph 182 require that Local Plans should be positively prepared “...based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so...”. This fits with the starting presumption that housing markets do not simply stop at administrative boundaries, but will inevitably flow over into neighbouring areas to varying degrees.

- 2.10 Mid Sussex is identified as being primarily within the Northern West Sussex HMA, which comprises Mid Sussex, Crawley and Horsham Districts. As summarised in the Council’s MSDC1 letter, it is acknowledged that there is also a strong link with the Coastal West Sussex HMA (including Brighton and Lewes which neighbour Mid Sussex). Albeit not explicitly acknowledged, there is also a degree of housing market interdependence with Wealden immediately to the east of Mid Sussex but outside of the above two HMA areas. The relative degrees of interlinkage are set out in the Council’s evidence base (EP14 Table 4.3 and 4.4).

## HEDNA (February 2015) (EP20)

- 2.11 The original HEDNA published by the District Council made an assessment of housing need using the ONS 2012-based Sub-National Population Projections and the DCLG 2008-based/2011-based Household Projections. These were the most up-to-date population and household projections at the time of publication. The original HEDNA concluded that a full, objective assessment of housing need for Mid Sussex was 627 dwellings per annum, based on the following steps;
- 1 A starting point of **570** dwellings per annum based applying a ‘blend’ of the 2008-based and 2011-based Household Projections to the 2012-based SNPP (albeit this figure was actually household growth and did not take into account a dwelling vacancy rate);
  - 2 Uplift of 10% to account for market signals pressure in the District, resulting in a need for **627** dpa;
  - 3 This would support growth of 250 jobs per annum, and the Council considered that the forecast of 521 jobs per annum (from Experian) set out in the 2014 Economic Growth Assessment was ‘not realistic’; and
  - 4 627 dpa would deliver 85% of the affordable housing needs identified.
- 2.12 A number of issues are noted with this document which means it does not comply with the PPG (as well as recent High Court Judgements and Inspector’s findings) and does not represent full OAN for Mid Sussex. However, NLP has not provided a full critique given that the OAN evidence which informs the District Plan is taken primarily from the HEDNA Update

(EP21) and HEDNA Addendum (EP22) which provide an update to the housing needs assessment using more recent population and household projections. However, the original HEDNA is referenced and reviewed as necessary.

- 2.13 In addition, the Council published a further HEDNA in June 2015, however this has since been removed from the Council's website. Notwithstanding, it provides context for the original HEDNA and HEDNA Update, and is herein referred to as the "June 2015 HEDNA".

## HEDNA Update (November 2015) (EP21)

### Demographic-led Needs

- 2.14 The PPG sets out that in assessing demographic-led housing need DCLG household projections form the overall starting point for the estimate of housing need, but that these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections (ID 2a-015). It also sets out that regard account should also be taken of the most recent demographic evidence, for example the ONS Population Estimates (2a-017).
- 2.15 The HEDNA Update states that since the publication of the 2012-based household projections, the starting point of 570 dpa in the original HEDNA had been superseded. The 2012-based household projections showed growth of 656 household per annum over the plan period 2014-31, and the HEDNA applies a 2.3% vacancy rate (as derived from Census data) to arrive at a figure of **671 dpa**.

### London

- 2.16 The HEDNA Update makes no assessment of need associated with additional growth from London. The London SHMA (2013) which underpins the Further Alternations to the London Plan (FALP) is based on the assumption that there will be less in-migration to London and more out-migration from London than seen during the recession (this topic is discussed in further detail in Section 3.0). The figure of London's housing need (49,000 dwellings per annum) is based on the Greater London Authority (GLA) assumption that outflows from London will increase by 5% and inflows will fall by 3%. This will have an impact on authorities across the South East (and potentially further afield) given that should this assumption come to bear (and the FALP examining Inspector concluded it would) then population and housing needs will manifest themselves in those areas. Where areas fail to provide sufficient housing to reflect this likely changing population flows with the capital housing needs will simply 'fall through the gaps' between local authorities' population assumptions.
- 2.17 The 2012-based SNPP (which underpins the HEDNA Update) draws on internal migration trends observed during the recessionary period, and therefore it would be reasonable to apply the GLA's migration adjustments to

ensure that local authorities with migration relationships with London increased their population projection to account for this additional growth. However, the HEDNA Update makes no such adjustment.

- 2.18 Since the publication of the HEDNA Update, the GLA has produced further evidence which supports the use of higher population projections for the basis of housing need in areas across the South East. The GLA has produced population projections for London which are constrained to the level of housing supply set out in the London SHLAA<sup>5</sup>. This therefore shows the likely number of people which are likely to be living in London, taking into account how many homes will actually be delivered (rather than adopting a trend-based approach in line with ONS). These projections show that projected growth in London is expected to be significantly lower than ONS' official projections (both 2012-based and 2014-based); i.e. there is a significant 'gap' between the number of people London can accommodate and the number of people projected to be living there according to ONS. If authorities across the South East only planned for population growth in line with the ONS projections, there would be a shortfall of housing given a large number of people will be unaccounted for in London and also unaccounted for elsewhere.

### Household Formation

- 2.19 With regards to household formation, the PPG states (ID 2a-015);  
*"The household projections are trend-based, i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice... The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demographic and household formation which are not captured in past trends. For example, formation rates may have been suppressed... the assessment will therefore need to reflect the consequences of past under delivery of housing."*
- 2.20 The original HEDNA adopted a 'blended' approach to household formation using the 2008-based and 2011-based Interim Household Projections. This was on the basis that the 2011-based projections were likely to be too low and the 2008-based too high. The HEDNA Update adopts the 2012-based rates with no adjustment (with the exception of a 24 dpa uplift for market signals, which is discussed later). Analysis of the 2012-based projections suggests that there remains an element of projection suppression in household formation, particularly amongst young adults, and therefore it would be prudent to allow for some improvement in household formation towards the pre-recession (2008-based trend). Although there are some factors at play which are beyond the housing market which contribute to changing household formation patterns, such as increases in higher education and BME households which may not support a *full* return to the 2008-based trend, at least a partial return would be appropriate.

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<sup>5</sup> Source: <https://data.london.gov.uk/dataset/2015-round-population-projections> SHLAA Capped Projections

## The Household Projections and Unmet Needs

- 2.21 The Council state in their response to the Inspector's Initial Questions (Housing) (MSDC1) that as the household projections are trend-based that the authority level projections reflect wider trends of past under-provision, particularly in Brighton, which means that the projections must already reflect the unmet needs of Brighton and levels of past provision in Mid Sussex.
- 2.22 Whilst there is some truth to this, i.e. that past levels of housing provision may affect population and household projections by affecting migration between local authority areas, this does not qualify the assertion that unmet needs from Brighton are therefore already reflected. The unmet needs of Brighton are based on the gap that exists between Brighton's objectively assessed need over the plan period, and the level of housing it can provide over that timeframe. This stands regardless of how past trends have affected migration between the areas (given Brighton's projection of need is also based on these official projections).

## Summary

- 2.23 The HEDNA Update has not followed the guidance set out in the PPG, taking into account the necessary factors and demographic evidence in Mid Sussex. It does not take into account any additional growth from London, which, as a result of not meeting its need, will result in an 'overspill' of people into areas around London across the South East. This is evidenced by the alternative migration trends adopted by the GLA, as well as the population projections for London based on projected household supply. The HEDNA Update also does not make any adjustment to household formation rates to account for continued suppression; a small uplift of 24 dpa is applied to address market signals, although this is wholly inadequate and not in line with the PPG. This is explored further below.

## Market Signals

- 2.24 The PPG requires that the housing need figure suggested by the household projection (i.e. demographic-led needs) should be adjusted to take into account market signals (ID 2a-019). The market signals that should be considered to establish the scale of the uplift include land prices, house prices, rents, affordability, overcrowding, homelessness and the rate of development (ID 2a-019). The PPG indicates that comparisons should be made against the national average, the HMA and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify uplift on the demographic-led needs (ID 2a-019). In addition, the PPG highlights the need to look at longer terms trends and the potentially volatility in some indicators (ID 2a-020).
- 2.25 The PPG also sets out that "...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planned supply by an amount that, on reasonable assumptions...could be expected to improve affordability..." (ID 2a-020). This distinguishes between the demographic-led



need for housing (generated by population and household growth, and as set out in (ID 2a-015) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

### The Original HEDNA

- 2.26 The original HEDNA provided an analysis of a range of market signals for Mid Sussex and concluded (para. 4.106);
- “It is considered that an uplift of 10% on top of the assessed housing need figure would represent a reasonable response to account for market signals whilst remaining consistent with the principles of sustainable development. The Objectively Assessed Need accounting for market signals is therefore 570dpa + 10% =627dpa.”*
- 2.27 Although NLP disagree with the level of uplift applied, NLP agree that this overall approach (i.e. applying an uplift of x% to the demographic-led needs) is correct and in line with the PPG.

### The June 2015 HEDNA

- 2.28 This version of the HEDNA (which is no longer available on the Council’s website) drew upon updated household projections which showed that the starting point estimate of need in the District of 656 dpa (albeit this actually was the figure for household growth, and the Council had not applied a dwelling vacancy rate to get to the dwelling need figure). However, the approach to market signals in this report was different to that applied in the original HEDNA despite referencing the same analysis (published four months prior) with the Council stating;
- “The market signals analysis within the HEDNA shows that Mid Sussex was not a unique case in terms of affordability compared to the South East, Housing Market Area and national averages... **This analysis does not support an uplift.** However, as there was an excess in supply of housing compared to OAN in the HEDNA using pre CLG 2012 figures, this meant an uplift could be delivered. Given the increased baseline OAN, there is no longer any excess to support an uplift.” [NLP Emphasis].*
- 2.29 The June 2015 HEDNA then went on to cite housing land supply in which the SHLAA showed a maximum capacity for 723 dpa. On this basis, the Council stated that a 10% uplift (as previously applied) would equate to 722 dpa, which would mean the Council would be unable to demonstrate a five year land supply. The Council also cited the March 2015 Sustainability Appraisal also concluded that scenarios above 700 dpa should be ruled out as unsustainable and undeliverable (however this version of the SA has also since been removed from the Council’s website).

## HEDNA Update

- 2.30 The HEDNA Update references the market signals analysis that was contained within the original HEDNA. As set out previously, this analysis concluded that 10% uplift was applicable in Mid Sussex (albeit this approach changed in the June 2015 HEDNA), noting that trends in Mid Sussex were not unique and in line with regional/national trends, and also citing the 10% uplift deemed applicable by Inspectors elsewhere (e.g. Eastleigh). However, the HEDNA Update does not consider this 10% to be applicable to the 2012-based projections, instead making an adjustment of 24 dpa to allow for an increase in household formation in young adults.
- 2.31 NLP consider that in the first instance, the 10% uplift applied in the original HEDNA was insufficient to address the worsening trends of market signals in Mid Sussex (albeit this approach is considered correct and in line with the PPG). The PPG is clear that comparisons should be made across the HMA, similar areas and nationally, in both absolute levels and rates of change for the indicators identified, and that any worsening trends would require an upward adjustment (ID 2a-020). The PPG goes on to state that the level of uplift should be proportionate to the pressure of market signals, with the more significantly the affordability constraints the greater the uplift should be.
- 2.32 The justification that Mid Sussex is no worse than other areas in the region is not a legitimate reason for adopting a low level of uplift. If such an approach were adopted by all areas, at the wider regional level there would be no overall uplift above the household projections to help address affordability issues. The evidence of poor and worsening affordability is not a justification for adopting no uplift in Mid Sussex, rather it provides evidence that that all areas which are equally poorly performing should also make an uplift and seek to improve affordability across the region as a whole. Without uplifts made at a local level on an authority by authority basis, there would be no affordability improvement at any level. This approach is fundamentally contrary to the PPG.
- 2.33 The Council's evidence on affordability is based on data up to 2013, and its response the Inspector's initial questions **Error! Bookmark not defined.** the Council maintained that;
- "...figure 19 of the February 2015 HEDNA shows the ratio of lower quartile house prices to earnings has not significantly worsened since 2006. Indeed, while the level has fluctuated with market conditions, mainly caused by the 2008 recession and subsequent recovery and the influence of small number of larger house price transactions, the overall position has not significantly changed over about a ten year period. The Council understands concerns about affordability and wishes to see affordability improved but does not accept that the evidence supports the assertion of severely worsening affordability..." (Page 5).*
- 2.34 In July 2016, DCLG published its updated live tables on housing affordability, showing the ratio of lower quartile house prices to lower quartile wages up to 2015. This shows that in recent years housing affordability in Mid Sussex has



worsened steadily since 2009 when it was 9.76, reaching an all-time high of 12.6 in 2015. This means Mid Sussex District is now ranked the 22<sup>nd</sup> least affordable Local Authority area in England outside of London, providing sufficient justification for a significant market signals uplift. Hypothetically, if Mid Sussex were the 'cut off' point at which affordability did not warrant a market signals uplift, this would mean (outside London) no market signals uplift would be justified in the 271 Local Authorities which are currently more affordable than Mid Sussex, and a market signals uplift would only be justified in the 21 areas which are less affordable. At the national level, this would achieve only a very minimal uplift against the population projections, would not be in line with the PPG or the NPPF, and would unlikely achieve the Government's target of building 250,000 homes per annum.

2.35 The Council's justification that such a significant uplift would be required to improve affordability<sup>6</sup> is also wholly inadequate for justifying that no uplift should be made, and is again contrary to the PPG (ID 2a-020) which is clear that worsening trends in any indicator will require upward adjustment.. At the very least, if improvements in absolute affordability cannot necessarily be achieved, an uplift to the supply of housing should be applied on the basis that this could at least slow the worsening of affordability. As highlighted above, if all areas adopted the approach (that such a significant uplift would be needed to improve affordability, therefore no uplift should be made at all), this effectively becomes a self-defeating prophecy. No improvement in affordability can be expected without any uplift, but this does not justify applying no uplift on the belief that improvement would require so much additional supply to be achieved.

2.36 Having established that a market signals uplift is fundamentally necessary to the assessment of housing need in Mid Sussex, it is necessary to determine what this uplift should be. The PPG does not set out any level of uplift, aside from noting that the worse affordability issues are, the greater uplift is needed. Table 3.12 shows how Mid Sussex compares (in terms of house prices, rents and affordability) to Eastleigh, where a 10% uplift for market signals was advocated by the Inspector. It is clear that across almost all indicators, market signals in Mid Sussex perform far worse than in Eastleigh. The analysis also shows how Mid Sussex compares with Canterbury, where the Local Plan Inspector accepted an uplift of 20% for 'more than modest' market signals. It is evident that, in line with the PPG which states the more significant the affordability constraints the greater the uplift should be, that an uplift in excess of 20% is applicable.

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<sup>6</sup> Page 6: Mid Sussex District Council response to Inspector's Initial Questions (Housing) 29 September 2016 (MSDC1)

Table 2.1 Comparison of Market Signals - Mid Sussex, Eastleigh and Canterbury

	Mid Sussex	Eastleigh (10%)	Canterbury (20%)
2015 Average House Price	£325,000	£244,000	£245,000
	Rank: 56	120	112
Rate of change 2000-2015	154%	144%	175%
	177	240	74
Absolute change 2000-2015	£197,000	£144,050	£155,900
	57	122	98
2015 LQ affordability ratio	12.6	8.7	10.8
	43	155	83
Rate of change 2000-2015	82.2%	50.6%	93.2%
	192	312	128
Absolute change 2000-2015	5.7	2.9	5.2
	57	242	74
Q1 2016 Rents	£925	£795	£800
	65	105	99
Rate of Change Q2 '11-Q1 '16	16.4%	17.8%	15.1%
	110	99	126
Absolute Change Q2 '11-Q1 '16	£130	£120	£105
	86	99	105

Source: ONS HPSSA, CLG Live Table 576, VOA Private Rental Market Statistics

2.37

In any case, it is evident that the Council have opted to apply different approaches to market signals in each of the three iterations of the HEDNA despite the reports being produced within the space of a year despite broadly relying on the same evidence;

- 1 The original HEDNA broadly followed the requirements of the PPG, treating demographic-led needs (as indicated by population and household growth) separate to the supply-side adjustment for market signals (household growth as set out in PPG ID 2a-015 and market signals set out in ID 2a-020);
- 2 The June 2015 HEDNA concluded that no adjustment should be made to the household projections at all, citing supply and sustainability constraints; and
- 3 The HEDNA Update concluded that market signals should be addressed by making an adjustment to headship rates, resulting in an uplift of 24 dpa.

2.38

The approach within the HEDNA Update is fundamentally an adjustment to the demographic-led needs, however this has been conflated by the Council with the market signals adjustment. The Council states, with regard to the 25-34 age group;

*“...where affordability issues lie and should be assisted by making a market signals uplift to the starting point OAN...the newest household projections predict between 20 and 29 fewer household per year than the pre-recession household projections, an average of 24 dpa across the plan period...as a response to market signals analysis and the need to improve affordability in these age groups, a reasonable assumption would be to uplift the OAN by 24 dpa to ensure that pre-recession headship rates could be returned to in the age groups that require the most assistance with regards to affordability...” (para.5.19 to 5.23).*

2.39 Firstly, the Council's approach is fundamentally flawed as it only compares the absolute number of households projected in each of the projections to determine the level of uplift. This does not address the issues of household formation rates (as suggested by the Council), given the underlying population in each iteration of the projections is different. The Council's approach would only address the issue of household formation rates if the number of people in those age groups were the same in the 2008-based and 2014-based projections. In the case of Mid Sussex, the household population age 20-34 in the 2014-based projections is c.3,000 more than the 2008-based projections, meaning that the level of uplift needed to bring the household formation rates closer to 2008-based rates is more significant than put forward by the Council.

2.40 The approach adopted by the Council results in an increase on the starting point (671 dpa) to 695 dpa, equivalent to an increase of 3.5%. Notwithstanding the technical issues set out above, overall the approach adopted in the HEDNA Update does not align with the PPG and is wholly inadequate to address market signals in Mid Sussex. Notably, the approach adopted in the HEDNA Update;

- 1 Conflates two stages in the OAN assessment into a single adjustment – household formation rates (which project the demographic-led need of the District) and market signals (which are a supply-side response to address market signals);
- 2 Attempts to assess the precise impact of market signals adjustments contrary to the PPG, which sets out that an adjustment should be made which could reasonably be expected to improve affordability;
- 3 Does not make an adjustment which could be expected to improve affordability. Given the extent of pressures in the District, it is unlikely that an uplift of 24 dpa, or 3.5% could be expected to have a real impact on affordability; and
- 4 Ignores the fact that market signals pressures affect all cohorts, for example high and rising rents, overcrowding and concealment could affect families outside this cohort; however by applying an adjustment which only accounts for a small increase in this age group does nothing to address affordability across all cohorts.

2.41 The Council reiterates its reasons for making such an adjustment within the response to the Inspectors Initial Questions, citing that such a significant uplift would be required to improve affordability, the uplift if based on the household

projections would assist the group with the greatest pressures and that there should be an element of consistency across the HMA. However, this does not reflect the requirements of the PPG (ID 2a-010) which is clear that the uplift should reflect the extent of affordability constraints, which in the case of Mid Sussex, are evidently severe.

- 2.42 The Council also cite (MSDC1, page 6) the Horsham Local Plan Inspector in supporting their position on market signals. However, NLP do not consider this substantiates the Councils approach because;
- 1 The approach applied by the Horsham Inspector ultimately did not follow the PPG which is clear that any worsening trends would justify an uplift (ID 2a-020). It is clear that Horsham has a range of worsening indicators, including some of most expensive housing outside London which has risen by c.£100,000 since 2009, poor affordability (with house prices over 14 times earnings) which over the last 15 years has risen faster than the national average (with a particularly sharp increase since 2011), more expensive and faster increasing rents compared to nationally and a faster increase in overcrowding and concealed families than nationally<sup>7</sup>;
  - 2 The approach applied by the Inspector of benchmarking Horsham against neighbours which are equally poorly performing and concluding no uplift should be made is a flawed logic given that if this were repeated across those neighbouring authorities and the wider region, wider affordability issues would not be resolved. Wider improvements in affordability across the south east (one of the most unaffordable parts of England) can not be achieved unless all areas make atleast some additional uplift in housing supply to help address market signals. This was re-iterated at a recent appeal in Newark and Sherwood District<sup>8</sup>, in which the Inspector stated *"I recognise that house prices are affected by macro-economic issues and the housing market in N&S does not operate in isolation. Nonetheless, this does not justify making only a very limited adjustment to the supply within N&S. If such an approach were followed more widely, then broader issues regarding affordability would remain unresolved."* (NLP emphasis); and
  - 3 In any case, across a number of indicators, market signals in Mid Sussex perform worse than in Horsham. For example, Mid Sussex has seen a faster rise in house prices than Horsham, and has higher rates of both overcrowding and concealed families which have both increased faster in Mid Sussex than in Horsham (see Table 3.10 and Table 3.11). The rate of development (in terms of completions against planned supply) has also been far worse in Mid Sussex than in Horsham. Therefore the Horsham Inspectors Report cannot be simply transposed across to Mid Sussex given these differences in indicators between the areas.
- 2.43 Overall is it clear that in the first instance, the Horsham Local Plan Inspector was not applying the requirements of the PPG in respect of a market signals

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<sup>7</sup> Sources: ONS HPSSA (June 2016), CLG Live Table 576, VOA Private Rental Market Statistics (Q2 2011-Q1 2016) and Census 2001/2011

<sup>8</sup> APP/B3030/W/15/3006252

adjustment, and the justification of Horsham being no different to the wider area is a flawed logic which has been discredited by Inspectors elsewhere. In any case, there are clear differences between the indicators of Horsham and Mid Sussex which would support a different approach to market signals uplift, namely applying a greater level of uplift which reflects the scale of affordability constraints in the area (as per PPG ID 2a-020).

### Summary

- 2.44 The approach to market signals in the HEDNA Update is contrary to the approach put forward by the Council itself just 9 months earlier in the original HEDNA, contrary to the approach set out in the PPG (and clarified by a number of Inspectors) and fundamentally fails to address the market signals pressures that exist in Mid Sussex. This is along with the fact that the Council has not identified the correct demographic-led starting point in the first place, meaning the assessment of need is likely to be conflated even further. The uplift for improving household formation should form part of the demographic-led needs (as per the PPG) to determine the demographic-led needs, upon which any further uplift should be applied. In the context of the Eastleigh and Canterbury Inspectors findings at least an uplift of 20% is applicable in Mid Sussex. The Council's use of the Horsham Local Plan Inspectors findings to support its conclusion on market signals is unjustified given the Inspector did not follow the guidance set out in the PPG, and such an approach would not lead to wider improvements in affordability being achieved.

### Economic-led Needs

- 2.45 The PPG requires that assessments of likely job growth are made, looking at past trends in job growth and/or economic forecasts, whilst also considering the growth in working age population (2a-018). The potential job growth should be considered in the context of potential unsustainable commuting patterns and as such plan-makers should consider how the location of new housing could help address this (2a-018).

### Future Economic Growth

- 2.46 In terms of potential growth, the HEDNA Update references (para 7.11) the Burgess Hill Employment Sites Study (BHESS) (March 2015) (EP36) which concludes that forecast job growth in Mid Sussex based on Experian data was 478 jobs per annum over the period 2011-31 (9,563 total). This is cited by MSDC as the new 'baseline' forecast of job growth and is a reduction on the forecast job growth set out in the Northern West Sussex Economic Growth Assessment (EGA) (published in 2014) (EP35) which concluded forecast job growth was 521 jobs per annum 2011-31 (10,425 total) (HEDNA Update para 7.8).
- 2.47 The HEDNA update also notes that the 'latest' forecasts show an increase of 4,790 jobs over the period 2014-31 on an FTE basis, equivalent to 282 jobs per annum (para 7.12). However, the source and date of this figure is not

given, and this is not comparable with the other figures presented given it refers to the FTE jobs, not total workforce jobs (which will be higher than the FTE).

- 2.48 Finally, the HEDNA Update makes an assessment of the likely level of employment growth which would arise through the allocated employment sites in the District Plan (including land to the west of Burgess Hill, a science and technology park and other sites), which it concludes would create 5,000 jobs in the plan period, equivalent to 294 jobs per annum (para 7.16). On this basis, the HEDNA concludes that this level of job growth would be higher than that supported by growth of 695 dpa, but would broadly align with 800 dpa (which is the housing requirement figure put forward in the emerging Plan, which takes into account unmet needs) (para 7.17).
- 2.49 However, there are a number of issues with this approach. Firstly, the PPG is clear that;  
*“Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development...”* (ID 2a-004).
- 2.50 This is clearly the approach which has been adopted in Mid Sussex, whereby the conclusion on future jobs has been reached based on employment allocations in the emerging plan. Secondly, this assessment itself is well below the forecasts levels of growth set out in the BHES and EGA, which forecast 478 and 521 jobs per annum respectively. The source of the 282 figure presented by the Council is not set out and in any case it represents an FTE figure, not workforce jobs. The PPG is clear that assessment of growth should be made based on past trends and/or forecasts, and does not state that this can be case on the expected number of jobs to be created through allocations. Third, this method of forecasting future jobs gives no account of jobs outside the B class which are expected to be created through the District Plan allocations. For example, large new housing developments can be expected to provide additional schools, healthcare, retail and other facilities which will generate require workers and generate demand for labour in the local area.
- 2.51 Finally, it has not been explained how and whether the additional population and housing growth in Mid Sussex through unmet needs (the additional provision of 105 dpa above the OAN of 695) would provide workers to support jobs in Mid Sussex District. If authorities across Sussex are able to meet the need for employment land but only have unmet housing needs, then any unmet housing need met in Mid Sussex will only be providing workers for job growth in those other Districts. The HEDNA sets out that 695 dpa would support 210 jobs per annum, and up to 1,000 dpa would support 556 jobs per annum. This would be the amount of housing needed solely for Mid Sussex District to meet its own needs, and should not be offset by the inclusion of unmet housing needs which are likely to be meeting the labour force needs of other authorities across Sussex.
- 2.52 The Council also state in their response to the Inspector (MSDC1, p.8);

*“The District Council did not specifically adjust the OAN for housing to reflect the workforce jobs figures of the BHESS or EGA since the DCLG projections already reflect anticipated growth trends. However, the Council is satisfied that the proposed employment floorspace will meet employment needs arising locally and make a contribution towards wider needs.”*

- 2.53 In the context of future employment growth, the first part of this statement is fundamentally incorrect; the DCLG projections are purely trend-based demographic projections based on an extrapolation for past trends; they give no account to economic forecasts or anticipated job growth as implied by the Council. Furthermore, it is unclear how the Council can justify that the proposed employment floorspace will meet local needs and wider unmet needs when the level of job growth forecast is significantly below a number of recent job forecasts.

### Summary

- 2.54 The assessment of job growth in the HEDNA is not justified and contrary to the PPG given it is driven by the supply of employment land in the emerging Plan. Forecasts suggest a much higher level of job growth is likely, and therefore more homes should be provided in the District to meet these needs. The HEDNA has also offset some of its jobs-led housing need based on the additional housing the Plan is expected to provide to meet unmet needs from across Sussex, however these needs are likely to be supporting jobs growth in other areas where the unmet housing need exists, and not jobs in Mid Sussex. The HEDNA OAN of 695 dpa would support 210 jobs per annum; this is well below a number of recent forecasts presented in economic growth studies (BHESS, EGA)

### Affordable Housing Needs

- 2.55 In line with the NPPF (para 47, 159), Local Planning Authorities should;  
*“...use their evidence base to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”*  
*“Local Planning Authorities should...prepare a SHMA which...addresses the need for all types of housing, including affordable.”*
- 2.56 The PPG sets out an approach to identifying affordable housing needs (ID 2a-022 to ID 2a-029), and states that total affordable housing need should be;  
*“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”*
- 2.57 Two High Court judgments go to the heart of addressing affordable housing within the identification of OAN. ‘Satnam’ establishes that affordable housing needs are a component part of OAN, indicating that the “proper exercise” is to identify the full affordable housing needs and then ensure this is considered in the context of its likely delivery as a proportion of mixed market/affordable



housing development. 'Kings Lynn' (CD14.11) builds on 'Satnam' identifying that identified affordable housing needs (para 36) "*should have an important influence increasing the derived FOAN since they are significant factors in providing for housing needs within an area.*" It is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAN.

### Net/Gross Household Formation

- 2.58 The PPG sets out that when calculating household formation (and therefore the number of newly forming households who are unable to afford market housing) this should be the estimate of **gross** newly forming households. This is to avoid double counting, as 'dissolving' households could also be counted as re-lets in the supply component. The HEDNA Update uses the starting point of 656 households per annum (using the DCLG Household Projections) (see EP21 para. 6.7, Tables 17 and 18) – this is a figure of net household formation per annum and not gross, as required by the PPG. The HEDNA update includes 171 dwellings per annum of re-lets, thereby double-counting.

### Committed Supply

- 2.59 The HEDNA Update calculation of affordable housing needs includes 1,223 dwellings of committed supply (EP21 Tables 17 and 18). At the base date of the assessment, this supply is yet to be completed and should not be included in the assessment of need. The assessment of need should not be offset by affordable housing which is yet to be delivered. If this approach were applied to market housing, an OAN assessment could theoretically be reduced based on the pipeline supply of housing. This would produce an assessment of need lower than the true need; regardless of whether homes are expected to delivered, the 'need' still exists and is not changed. Only once the assessment of need has been made (without including committed supply) this need figure can then be compared against the expected future supply of affordable housing needs.
- 2.60 The HEDNA update concludes that affordable housing needs amount to 127 dwellings per annum (based on reasonable preference categories) and up to 230 dwellings per annum (based on the total housing waiting list). On this basis, the HEDNA Update concludes that 695 dpa would deliver up to 85% of needs based on the higher figure of 230 dpa (which would meet needs of the total waiting list). Therefore the report concludes no further adjustment should be made to take account of affordable housing.

### Different levels of housing provision

- 2.61 The HEDNA Update goes on to assess the need for affordable housing associated with a range of housing scenario from 656 dpa to 1,000 dpa (EP 21 Table 19), stating in its conclusion that "*the situation does not improve with This situation doesn't improve by providing higher levels of housing...Providing more housing leads to an increased need for affordable housing.*" (para 6.10).



- 2.62 However this method of assessment does not follow the requirements of the PPG. The PPG states that projections of affordable housing need will need to take into account new household formation based on, for example, the household projections (ID 2a-025). Once the overall level of need has been calculated, (as the Council have done so in Tables 17 and 18 of the HEDNA Update, notwithstanding the criticisms of the calculation) this should be compared to the likely rate of delivery, and uplift considered where it could help meet the identified need (ID 2a-029).
- 2.63 If these calculations of affordable housing need based on different levels of housing provision have been undertaken in the same way as the main assessment, they will also reflect net (and not gross) household formation, leading to double-counting with re-lets, as well as including the committed supply. Overall, the justification that providing more housing would not help *“the situation”* is fundamentally flawed as where there is a significant need for affordable housing an increase in overall housing figures is necessary to help provide more affordable homes, as per the PPG (ID 2a-029).

### Summary

- 2.64 The assessment of housing need in the HEDNA Update significantly underestimates the level of affordable housing needs in Mid Sussex because it has incorrectly applied the approach set out in the PPG. The use of net household formation reduces the need for affordable housing, and the use of gross household formation is required by the PPG (ID 2a-025) to avoid double counting with relets. In addition, the calculation has included over 1,200 dwellings of committed affordable housing supply. This reduces the assessment of need, however households are still in need of affordable housing regardless of the future pipeline of affordable housing. Future delivery should not be used to offset the assessment of need; once the assessment has been made in full, only then should this be compared to the committed supply.

## The HEDNA Addendum (August 2016) (EP22)

### Demographic-led Needs

- 2.65 The Addendum builds on the analysis in the HEDNA Update in light of the 2014-based Population and Household Projections (which were published in May and July 2016 respectively). This shows that based on household growth of 714 per annum over the period 2014-31, there is a need for 730 dwellings per annum, thereby updating the starting point for the OAN assessment.

### Market Signals

- 2.66 With regards to a market signals uplift, the Addendum adopts the same approach as in the HEDNA Update. It states that as the 2012-based and 2014-based population projections show similar growth in the 20-34 age group and the household projections show similar household formation rates, 24 dpa

remains an appropriate figure to apply as an uplift. Paragraph 2.39 above sets out in detail why the approach adopted in the HEDNA Update is fundamentally flawed and why the scale of uplift proposed is a wholly inadequate response to market signals in Mid Sussex, and as such those criticisms are also equally applicable to the Addendum. In summary, the Council's approach within the HEDNA Addendum again does not reflect the requirements of the PPG, which indicates that adjustments to household formation rates should be considered as part of the demographic-led needs. Overall the 'market signals uplift' put forward by the Council is not of a scale which reflects the affordability constraints in the District, as required by the PPG.

## **Economic-led Needs**

- 2.67 Based on the updated population projections, the Addendum concludes that an OAN of 754 dpa would support 323 jobs per annum, with the proposed housing requirement (800 dpa) supporting 370 jobs per annum (EP22 Table 9), and as such no adjustment for employment-led needs is made to the OAN. Whilst this is an increase compared to the HEDNA Update (which showed that the requirement of 800 dpa would support job growth of 330 per annum, and is likely to be a result of the differently underlying demographic profile) it nevertheless remains significantly fewer jobs than indicated by recent forecasts.
- 2.68 As set out in the HEDNA Update (and reference above in Paragraph 2.46), the EGA (published in 2014) concluded forecast job growth was 521 jobs per annum 2011-31 (10,425 total), and the more recent BHES (March 2015) concluded that forecast job growth in Mid Sussex based on Experian data was 478 jobs per annum over the period 2011-31 (9,563 total). However, the HEDNA Update cited the expected supply of employment land in the emerging Plan (which was expected to support 294 jobs per annum) to justify a lower job growth figure which aligned with the housing requirement of 800 dpa. This is clearly contrary to the PPG which states that assessment of need should not be constrained by the supply of land.
- 2.69 Similar to the issues raised on the approach in the HEDNA Update, the conclusion in the HEDNA Addendum does not make any adjustment to the OAN to reflect the forecast job growth in the District. The forecasts suggest a much higher level of job growth (than that concluded by the Council based on the emerging Plan, which itself is contrary to the PPG), and therefore more homes should be provided in the District to meet these needs.

## **Affordable Housing Needs**

- 2.70 The HEDNA Addendum does not present the complete affordable housing needs calculation, albeit from comparisons with the figures which are presented from the HEDNA Update it is apparent the Addendum has adopted the same approach. As set out above, this approach does not follow the PPG and significantly underestimates the level of housing need because;

- 1 It uses net (rather than gross, as required by the PPG) household formation; this introduces an element of double counting when re-lets are included in the supply component; and
- 2 It includes committed supply, which (at the base date of the assessment) is yet to be completed and should not be included in the assessment of need. The need for these affordable homes stands regardless of the pipeline supply; this supply should not be used to offset the need calculation in the first instance.

2.71 It is evident that, similar to the HEDNA Update, the Addendum significantly underestimates the need for affordable housing in the District, leading to the conclusion that the requirement of 800 dpa would provide enough affordable housing to meet the needs of those in reasonable preference groups. However, adjusting for the two factors set out above significantly increases the need for affordable housing which would (in line with the PPG and King's Lynn Judgment) require consideration of an increase in the overall housing provision where it could help to meet affordable housing needs.

2.72 The HEDNA Addendum also follows a similar approach to the HEDNA Update whereby the affordable housing need is tested at a range of different housing provision scenarios, up to 1,000 dpa. Again, this assessment is inherently flawed as it does not correctly calculate the levels of affordable need (as set out above) and does not represent a methodology compliant with the PPG (given that it 'tests' affordable housing needs at various potential housing levels rather than making a calculation of need (based on household projections) and comparing this with expected delivery/making an uplift where it could help meet more of the need).

## Summary

2.73 The HEDNA Addendum adopts an almost identical approach to the HEDNA Update, albeit to an updated (and slightly higher) starting point which accounts for the 2014-based population and household projections. As such, the criticisms which apply to the HEDNA Update (related to the approach to demographic-led needs, market signals, jobs-led needs and affordable housing) are equally applicable to the Addendum. The assessment of need does not reflect the requirements of the PPG at every stage of the calculation and significantly underestimates the OAN for the District.

## Summary

2.74 The NPPF is clear that Council's should have a clear understanding of housing needs in their area, and the PPG sets out a methodology for assessing this need. It confirms that an assessment of housing need must be proportionate, based on facts and not apply constraints to the assessment of housing need (ID 2a-004). The housing need number suggested by the household projections (the starting point) should be adjusted to reflect local demographic factors (ID 2a-017), employment trends (ID 2a-018), market signals (ID 2a-019), as well as affordable housing needs (ID 2a-019).

2.75

It is evident from the evolution of the Council's OAN, and the changes to the methodology applied in each instance, that the Council do not have a clear understanding of needs in their area. This is shown in Table 2.2.

Table 2.2 Evolution of Objectively Assessed Housing Needs in Mid Sussex

HEDNA	Conclusion on OAN	Methodological Approach/Key Points made by MSDC
February 2015 (EP20)	<b>627 dpa</b>	<ol style="list-style-type: none"> <li>1. Used 2012-based Population Projections</li> <li>2. Applied 'blend' of 2008-based and 2011-based household projections (this resulted in a figure of 570 <b>households</b> pa – no account taken of dwelling vacancy/second homes)</li> <li>3. Applied uplift of 10% for market signals</li> <li>4. No further uplift for jobs (OAN of 627 would support 249 jobs per annum)</li> <li>5. No further uplift for affordable housing needs as OAN would deliver 85% of needs</li> </ol>
June 2015 <i>No longer in public domain</i>	<b>656 dpa</b>	<ol style="list-style-type: none"> <li>1. Used 2012-based Population and Household Projections (growth of 656 <b>households</b> pa, again with no account for dwelling vacancy/second homes)</li> <li>2. No uplift for market signals, citing land supply and sustainability issues</li> <li>3. No further uplift for jobs</li> <li>4. No further uplift for affordable housing needs</li> </ol>
November 2015 (EP21)	<b>695 dpa</b>	<ol style="list-style-type: none"> <li>1. Used 2012-based Population and Household Projections, applying dwelling vacancy rate to get starting point of 671 dpa</li> <li>2. Applied 24 dpa uplift to increase household formation in younger age groups (this is termed the 'market signals uplift')</li> <li>3. No further uplift for jobs, however notes that 800 dpa (the emerging requirement, including unmet needs) would support job growth in line with employment land allocations in emerging Plan</li> <li>4. No further uplift for affordable housing needs</li> </ol>
August 2016 (EP22)	<b>754 dpa</b>	<ol style="list-style-type: none"> <li>1. Used 2014-based Population and Household Projections, applying dwelling vacancy rate to get to 730 dpa</li> <li>2. Applied 24 dpa uplift to increase household formation in younger age groups (this is termed the 'market signals uplift')</li> <li>3. No further uplift for jobs</li> <li>4. No further uplift for affordable housing needs</li> </ol>

Source: NLP based on Mid Sussex District Council Evidence

2.76

The most recent iterations of the HEDNA (the Update and the Addendum) form the basis of the OAN in the Council's emerging Plan. However, these assessments of need do not follow the requirements of the PPG and significantly underestimate the level of housing need in Mid Sussex District. The reasons for this are as follows;

- 1 The assessments give no account to demographic evidence which shows population growth in Mid Sussex will be higher than that shown in the official population projections, in particular the impact of London;
- 2 They make an adjustment for household formation in younger age groups, however this has been conflated with the adjustment for market signals. The PPG is clear that these are separate elements of the assessment, and this approach had been previously been applied correctly by the Council in the original HEDNA. Therefore it is not clear why the Council has chosen not to apply the same approach to the updated starting points. Notwithstanding, NLP consider the 10% uplift applied in the February 2015 to be inadequate for Mid Sussex, particularly in light of benchmarks set in Eastleigh and Canterbury;
- 3 The OAN and housing requirement would support growth which is significantly below the two forecasts from the Council's most recent economic studies which draw upon Experian forecasts (the EGA and BHESS). The Councils forecast job growth of 294 per annum based on employment allocations, however this is contrary to the PPG which is clear assessments of need should not be constrained by the supply of land; and
- 4 The assessments of affordable housing need use net rather than gross household formation which incorporates an element of double-counting with re-lets. They also includes 1,223 dwellings of committed supply, however this should not be used to offset needs in the initial assessment. Correcting for these errors means the assessment of affordable housing needs is likely to be significantly higher (particularly given the affordability issues in the District) thereby placing upward pressure on the OAN.

3.0

## An Objective Assessment of Housing Need

### Policy Context

3.1

With regards to objectively assessed housing needs (OAN), the NPPF outlines (para 159) that when evidencing housing needs, Local Planning Authorities should;

*“Prepare a Strategic Housing Market Assessment to assess their full housing needs...identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which;*

- *Meets household and population projections, taking account of migration;*
- *Addresses the needs for all types of housing, including affordable housing...; and*
- *Caters for housing demand and the scale of housing supply necessary to meet this demand”*

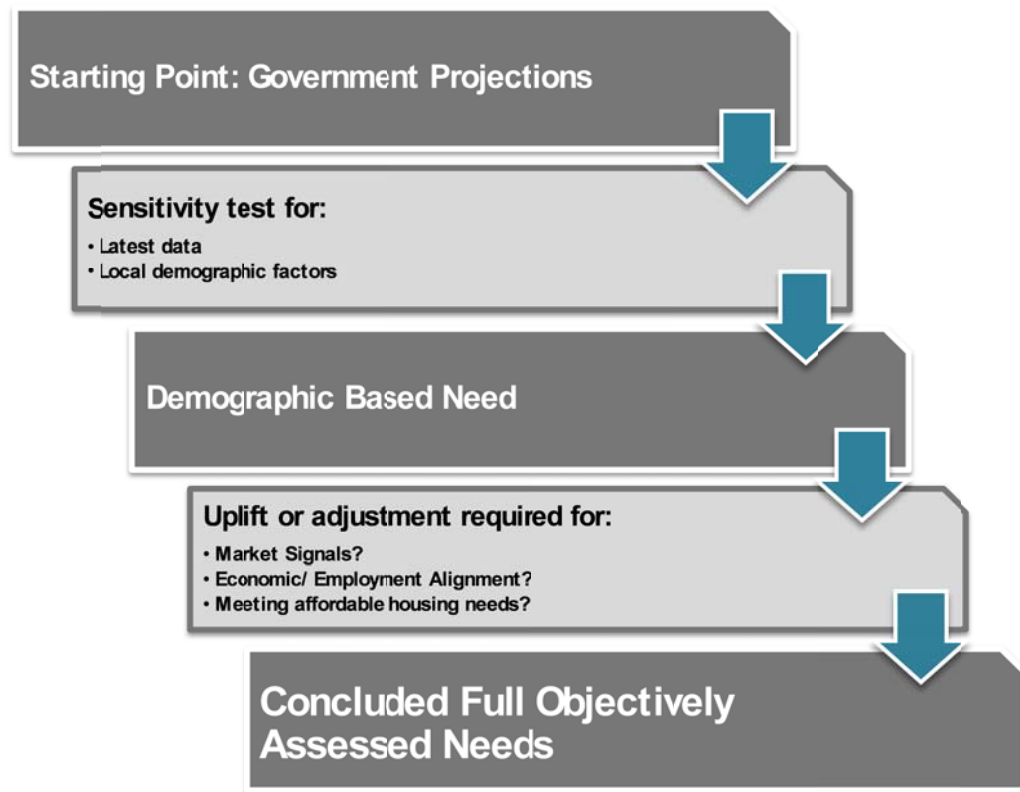
3.2

Furthermore, the PPG clarifies the position on how the NPPF should be interpreted and applied. It confirms that an assessment of housing need must be proportionate and based on facts and unbiased evidence without the application of overall constraints to the overall assessment of housing need (ID 2a-004). The housing need number suggested by the household projections (the starting point) should then be adjusted to reflect local demographic factors (ID 2a-017), employment trends (ID 2a-018), market signals (ID 2a-019), as well as affordable housing needs (ID 2a-019).

3.3

It is clear that the approach taken to planning for housing delivery must be grounded in the background evidence of need and demand in an area. The NPPF and PPG set out a logical process for assessing OAN which has been summarised in Figure 3.1 and is reflected in the way housing needs have been assessed in Mid Sussex. Given the context of this report (related to the emerging Local Plan in Mid Sussex, and the recent adoption of a number of Plans elsewhere in the HMA) NLP has not sought to make a full assessment of housing need for the whole of the Housing Market Area (not least because the majority of areas have recently adopted Local Plans). Rather, we provide an assessment for Mid Sussex to ensure the emerging District Plan addresses both the District's OAN and unmet needs.

Figure 3.1 NPPF/PPG Approach to Objectively Assessed Housing Needs



Source: NLP Based on NPPF/PPG

## Demographic-led Needs

### Model Outputs

3.4

Using the inputs and assumptions discussed, four demographic-led scenarios have been assessed (each with a sensitivity for household formation);

- a **Scenario A: 2014-based Sub-National Population Projections** – based on the 2014-based SNPP and SNHP for Mid Sussex;
  - **Scenario Ai: 2012-based Sub-National Population Projections, with Partial Catch-Up Headship Rates** – as above, however making a headship rate adjustment to 15-34 year olds, as discussed;
- b **Scenario B: 2014-based Sub-National Population Projections, with 2015 MYEs** – based on the 2014-based SNPP and SNHP for Mid Sussex, and re-basing to the 2015 Mid-Year Estimates;
  - **Scenario Bi: 2014-based Sub-National Population Projections, with 2015 MYEs, with Partial Catch-Up Headship Rates** – as above, however making a headship rate adjustment to 15-34 year olds;
- c **Scenario C: London (Low Scenario)** – based on the lower variant of the GLA's latest population projections which are underpinned by future



housing supply in the capital, which show that growth in London will be lower than suggested within the official projections;

- **Scenario Ci: London (Low Scenario) with Partial Catch-Up Headship Rates** – as above, however making a headship rate adjustment to 15-34 year olds
- d **Scenario D: London (High Scenario)** – based on the higher variant of the GLA's latest population projections which are underpinned by future housing supply in the capital, which show that growth in London will be lower than suggested within the official projections;
  - **Scenario Di: London (High Scenario) with Partial Catch-Up Headship Rates** – as above, however making a headship rate adjustment to 15-34 year olds

### Scenario A/Ai: 2014-based Sub-National Population Projections

- 3.5 The 2014-based SNPP projects population growth of 21,096 over the period 2014 to 2031 in Mid Sussex, of which 18,506 is through net in-migration. Based on the 2014-based Household Projections, there is projected to be household growth of 714 per annum, or 738 per annum using partial catch-up headship rates. This translates into a need for between 730 and 755 dwellings per annum, taking into account second home/vacancy rates.
- 3.6 The level of projected population growth under this scenario would support growth in the labour force and growth of 356 jobs per annum over the plan period.

Scenario A: 730 dwellings per annum

Scenario Ai: 755 dwellings per annum

### Scenario B/Bi: 2014-based Sub-National Population Projections with 2015 MYEs

- 3.7 The 2015 Mid-Year Estimates provide an updated picture of the population in Mid Sussex at 2015, i.e. the first year of the projection. For Mid Sussex, these show that the population in Mid Sussex was slightly higher than projected in the 2014-based projections. Incorporating this into the modelling shows a need for 711 dwellings per annum or 736 dpa using partial catch-up headship rates. This is slightly lower than Scenario A, despite the population being larger in 2015. This is because scenario also takes into account the age structure in 2015 which shows that there were fewer people in the 10-14 and 20-24 age group, which are those forming households over the plan period.
- 3.8 The growth in the labour force would be broadly similar to Scenario A, supporting an increase of 364 jobs per annum.

Scenario B: 711 dwellings per annum

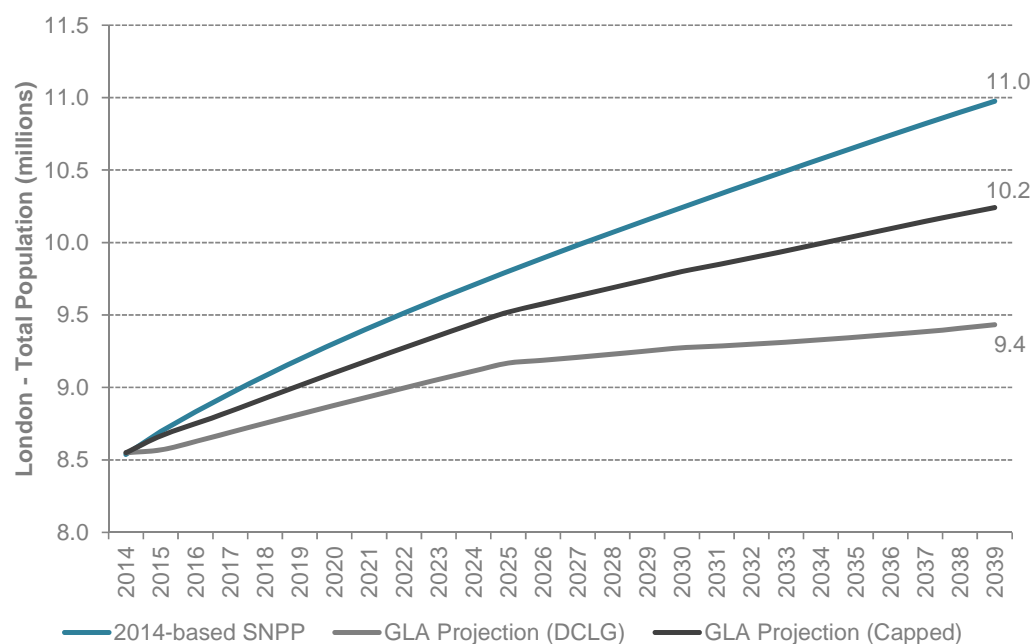
Scenario Bi: 736 dwellings per annum



## London Migration

- 3.9 The Greater London Authority (GLA) produces population projections predicated on recent observed trends in births, deaths and migration. Its most recent (2015-based) population projections include a projection of London's population based on the expected supply of housing, as set out in the Further Alterations to the London Plan (2015). These constrain population growth in the capital based on the supply of homes available, rather than projecting forward past trends, as used by ONS. The GLA has produced two alternative projections of population growth, based on different assumptions around average household size. These are;
- 1 **DCLG Household Size** – based on DCLG's projected average household size for London. This projects a steady decline in average household size and projects there to be 9.4m people living in London by 2039; and
  - 2 **Capped Household Size** – based on the assumption that average household size in London will not fall as quickly as projected by DCLG. On this basis, housing growth in London would accommodate growth to 10.2m by 2039. Higher population growth in London would result in the need for fewer homes elsewhere across the South East, however this implicitly assumes a larger household size than that projected by DCLG
- 3.10 Figure 3.2 shows how these GLA projections compare with ONS' 2014-based SNPP for London. It shows that by 2039, the 2014-based SNPP projects that there will be 11m people living in London. By comparison, the GLA projects that, based on the supply of housing in London, between 9.4m and 10.2m people could be accommodated in London. This means there is an effective 'gap' of between 0.8m and 1.6m people between what London can realistically accommodate and the projected growth in the latest SNPP. It likely that this 'gap' will be manifested through a combination of fewer people moving to London and more people moving out of London, to/from areas which currently have migratory relationships with London

Figure 3.2 Projected Population Growth - London - ONS and GLA



Source: NLP Analysis based on GLA 2015-round Projections and ONS 2014-based SNPP

- 3.11 If areas around London and the South East planned only for growth in line with the latest projections, there would be a significant amount of 'lost need' since people who are not accounted for in London (as evidenced by the GLA's latest projections) will not be accounted for elsewhere. Therefore, authorities across the South East which have existing migration relationships with London should plan for additional growth over and above their own needs as indicated by the 2014-based SNPP) to ensure that housing needs do not fall between the gaps of local authority boundaries. This is of significance as the PPG states the following with regards to cross boundary migration assumptions (ID 2a-018):

*"Any cross-boundary migration assumptions, particularly where one area decides to assume a lower internal migration figure than the housing market area figures suggest, will need to be agreed with the other relevant local planning authority under the duty to cooperate. Failure to do so will mean that there would be an increase in unmet housing need."*

- 3.12 In order to estimate the amount of additional population growth which may occur in Mid Sussex as a result of London's housing supply NLP has used the ONS Mid-Year Estimates Migration Matrices. This shows that over the latest three years, average migration from London to the rest of the UK has been 265,417 per annum, of which 1,440 per annum has been to Mid Sussex (0.54% of the total). Similarly, migration from the rest of the UK to London has been 197,587 per annum on average, of which 740 per annum has been from Mid Sussex (0.37% of the total). On this basis, it can be assumed that 0.46% of London 'gap' in population (and therefore housing) could manifest itself within the projections for Mid Sussex.

Table 3.1 Migration relationships with London - Mid Sussex

	Out from London	Into London
UK Total	265,417	197,587
Mid Sussex	1,440	740
<b>Mid Sussex as % of total</b>	<b>0.54%</b>	<b>0.37%</b>

Source: ONS Migration Estimates

### Scenarios C/Ci: London (Low)

- 3.13 If Mid Sussex were to accommodate its share (based on the metrics set out above) of London's population growth gap, assuming that London could accommodate the upper end of the range identified by the GLA (10.2m people by 2039), this would result in population growth of 23,315 over the plan period, of which 20,357 would be through net in-migration. This is growth of c. 2,000 more people than under Scenarios A and B, and reflects the increase in the number of people living in the District as a result of likely changing population trends arising in London as assumed by the GLA. This would generate household growth of 741 per annum and a need for 758 dwellings per annum (based on the 2014-based household projections), or assuming higher rates of household formation amongst young adults the need would increase to 784 dwellings per annum. The growth in the labour force would support job growth of 422 jobs per annum.

Scenario C: 758 dwellings per annum

Scenario Ci: 784 dwellings per annum

### Scenario D/Di: London (High)

- 3.14 The GLA's projections show that if household size in London declines at a faster rate (i.e. in line with DCLG's projections of average household size) then the population of London based on its projected housing supply could be as low as 9.4m by 2039; this is some 1.6m people fewer than ONS' official projections. If Mid Sussex were to accommodate its share of the population based on this lower figure, then population growth in the District would be 25,452 over the plan period. This would result in a need for 806 dwellings per annum, or 833 using partial catch-up headship rates. An additional 482 jobs per annum on average would be supported.

Scenario D: 806 dwellings per annum

Scenario Di: 833 dwellings per annum

## Summary of Demographic-led Scenarios

- 3.15 NLP has assessed a range of demographic-led scenarios for Mid Sussex which take into account a range of up-to-date evidence in line with the requirements of the PPG. The latest official population and household

projections show there is a need for 730 dwellings per annum over the plan period. Making an upward adjustment to household formation rates for younger adults to allow for some improvement in household formation (more in line with longer term trends and the 2008-based projections) increases this need to 755 dwellings per annum, albeit taking into account the latest mid-years estimates shows a marginally lower level of need due to the different age structure.

- 3.16 London will clearly have a big influence on population growth and housing need in Mid Sussex and across the wider South East given that the GLA's population projections show that based on the likely supply of housing in the capital, London will not be able to accommodate the number of people set out in ONS' latest official projections. This will inevitably result in an 'overspill' of people and housing needs as fewer people move to London and more people move out of London. Applying the partial catch-up approach to household formation, Scenarios Ci and Di show that Mid Sussex would need to provide between 784 and 833 dwellings per annum over the plan period in order to adequately cater for both its own needs and the additional pressures from London. This approach to assessing housing needs in the District is in line with the PPG, which requires the OAN assessment to take account of the latest demographic evidence (in this instance, the GLA's supply-led projections). On this basis, it is considered that the demographic-led housing need of Mid Sussex District (upon which any adjustment for market signals, economic-led needs and affordable housing should be made) is **784 - 833 dwellings per annum**.

## Market Signals

- 3.17 The NPPF sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions (NPPF Para 17);
- "Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities."*
- 3.18 The PPG indicates that once an assessment of need based upon household projections is established, this should be adjusted to reflect appropriate market signals and indicator of the balance between demand and supply of housing. The guidance explicitly sets out six market signals:
- 1 Land Prices;
  - 2 House Prices
  - 3 Rents;
  - 4 Affordability;
  - 5 Rate of development; and,
  - 6 Overcrowding/Homelessness.

- 3.19 It goes on to state that appropriate comparison of these should be carried out with an upward adjustment made where any such market signals indicate an imbalance between supply and demand, and a need to increase housing to meet demand and tackle affordability issues is identified (ID 2a-020);
- “This includes comparisons with longer terms trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally. Divergence under any of these circumstances will require upwards adjustment to planned housing numbers compared to those based solely on household projections...*
- In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints...the larger the additional supply response should be.”*
- 3.20 The guidance sets out a clear and logical ‘test’ for the circumstances in which objectively assessed needs (including meeting housing demand) will be in excess of demographic projections.
- 3.21 In the context of the NPPF and PPG, the housing market signals have been reviewed to assess the extent to which they indicate a supply and demand imbalance in Mid Sussex (and the other authorities in the HMA), and therefore indicating that upward adjustment should be made on the demographic-led needs identified.

## Land Prices

- 3.22 The most readily available data on residential land prices is available from CLG Land Value Estimates<sup>9</sup>. This provides estimates (per hectare) of post-permission residential land however does not provide readily available information on the price premium associated with such land (an indicator of supply and demand). This shows that the average cost per ha of residential land in Mid Sussex is £3.25m, compared to £2m across England (outside of London).

## House Prices

- 3.23 The PPG identifies that longer term change in house prices may indicate an imbalance between the demand for and the supply of housing. It suggests using mix-adjusted house prices, however these are not available at the Local/Unitary Authority level, hence price paid data is considered the most appropriate indicator (this is now published by ONS).
- 3.24 In the 12 months to December 2015, the average price paid for housing in Mid Sussex was £325,000. This compares to £212,000 nationally, and places Mid Sussex within the top 25% most expensive local authorities in England in terms of house prices (ranked 56<sup>th</sup> out of 326). Compared to the rest of the HMA, Mid Sussex is slightly less expensive than Horsham where the average price house

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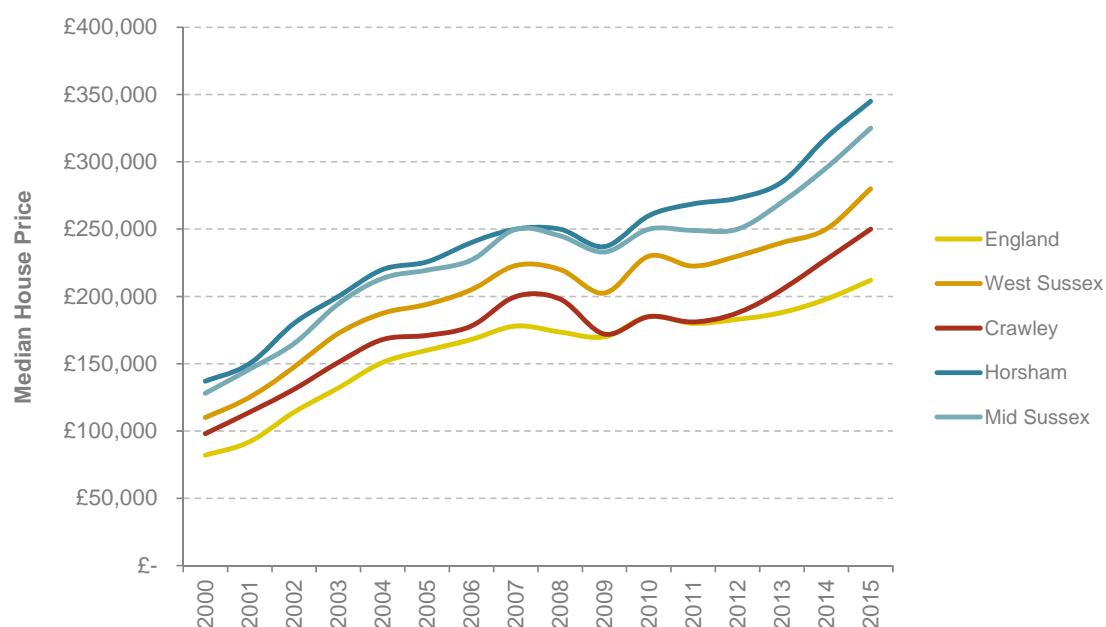
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for 2015 was £345,000. However both of these districts are significantly more expensive than Crawley, as well as West Sussex as a whole.

- 3.25 Some parts of the HMA represent some of the most expensive areas outside of London. Excluding the London Boroughs, South Bucks is the most expensive area in the country, while Horsham ranks 23<sup>rd</sup> and Mid Sussex is 31<sup>st</sup>.
- 3.26 Over the last 15 years, house prices in Mid Sussex have risen by 154%, equivalent to a rise of £197,000. Nationally, house prices have risen 159% since 2000, considerably house prices in Mid Sussex were already significantly higher than the national average in 2000 to begin with. Across the rest of the HMA, the rate of house price increase has been similar compared to nationally, albeit the cost of housing in most parts of the HMA was significantly higher than nationally in 2000. This is shown in Figure 3.1 and Table 3.1.

Figure 3.3 Average House Prices - 2000-2015



Source: ONS House Price Statistics

Table 3.2 Average House Prices and Change

	2000	2015	% Change	Absolute Change
<b>England</b>	<b>£82,000</b>	<b>£212,000</b>	<b>159%</b>	<b>£130,000</b>
West Sussex	£110,000	£279,950	155%	£169,950
Crawley	£98,000	£249,995	155%	£151,995
Horsham	£137,000	£345,000	152%	£208,000
Mid Sussex	£128,000	£325,000	154%	£197,000

Source: ONS House Price Statistics

- 3.27 It is evident that cost of housing in Mid Sussex (as well as the North West Sussex HMA excluding Crawley) represents a negatively performing market signal with a potential imbalance between demand and supply. Even the least expensive areas in the HMA are around 15% more expensive than nationally. In the HMA, house prices have generally risen slightly slower than nationally

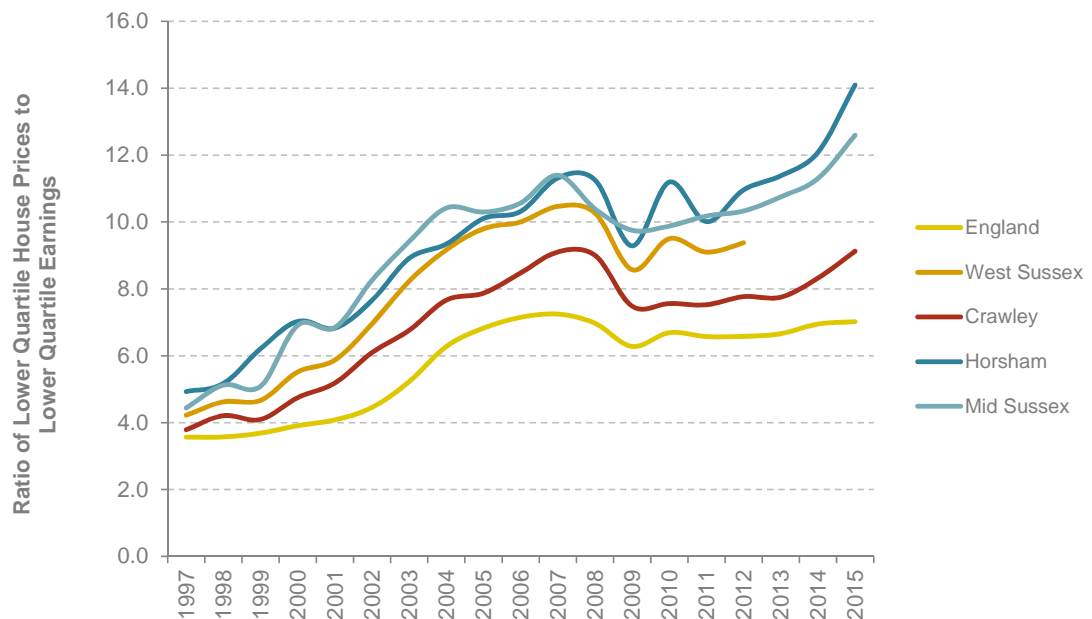
however prices remain high with Mid Sussex and Horsham being 50-60% more expensive than England.

## Affordability

3.28 Assessing affordability involves comparing the cost of housing against the ability to pay. The relevant indicators for this are lower quartile house prices and lower quartile earnings (which together form an affordability ratio which can be tracked over time). This indicator provides an assessment of how affordable housing is in an area, taking into account local earnings (rather than just considering house prices in isolation).

3.29 As of 2015, the affordability ratio in Mid Sussex was 12.59, ie. lower quartile house prices were over 10 times lower quartile earnings. Across England, lower quartile house prices are 7 times earnings. All other areas in the HMA are also less affordable than nationally, with the affordability ratio ranging from 9.13 in Crawley to 14.10 in Horsham. Over the last 15 years, Mid Sussex and the HMA authorities overall have been consistently less affordable than nationally. This is shown in Figure 3.2 and Table 3.2.

Figure 3.4 Affordability Ratio - 2000-2015



Source: CLG Live Table 576

**Note:** CLG Live Table 576 was revised in 2016, and the methodology for 2013-15 differs to that in previous years. However, analysis of the ratios in 2013 in the old/new dataset suggests changes were minimal and not likely to have a significant impact on affordability analysis.



Table 3.3 Affordability Ratio and Change

	2000	2015	% Change	Absolute Change
<b>England</b>	<b>3.91</b>	<b>7.02</b>	<b>80%</b>	<b>3.11</b>
<i>West Sussex</i>	5.52	~	~	~
Crawley	4.75	9.13	92%	4.38
Horsham	7.03	14.10	101%	7.07
Mid Sussex	6.91	12.59	82%	5.68

Source: CLG Live Table 576

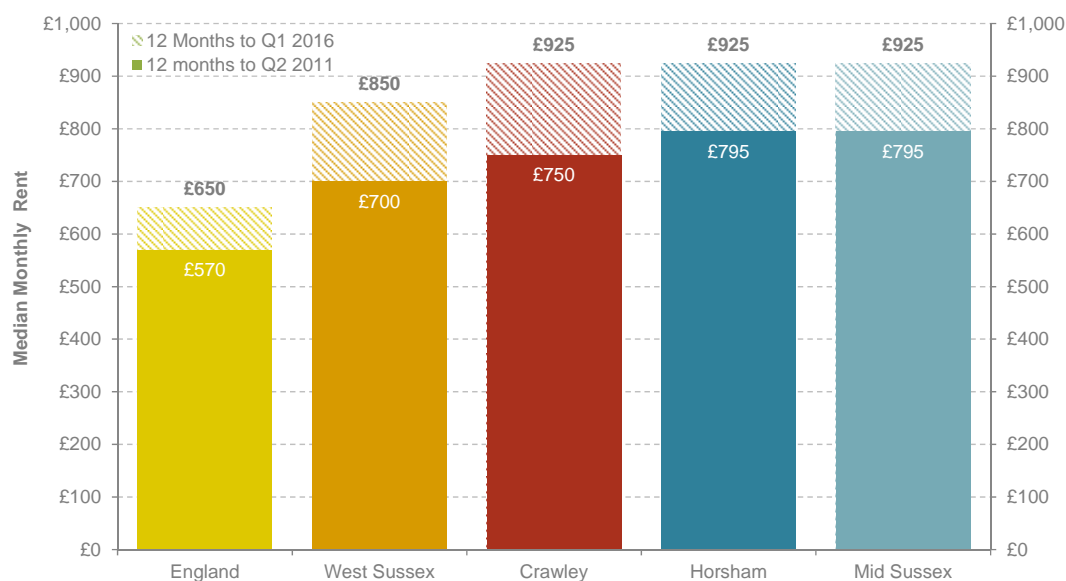
- 3.30 Similar to house prices, all authorities in the HMA are less affordable than England overall, and all have been consistently less affordable over the last 15 years. Outside London, many parts of the HMA are amongst the least affordable in the country, including Horsham and Mid Sussex, which both rank within the top 25 (outside London) least affordable areas. It is clear that there is an imbalance between house prices and earnings across the wider HMA, and this is a strong signal to indicate uplift to help address affordability issues.

## Rents

- 3.31 Similar to house prices, another indicator of housing market pressure is increasing costs of rents. Series data for monthly rental costs from VOA statistics are only available from Q2 2011 to Q1 2016, however trends in rental costs are still clear.
- 3.32 In the 12 months to Q1 2016, the average (median) monthly rent across England was £650. This represents a 14% or £80 increase in rents compared to the rents in the 12 months to Q2 2011, which were £570. Across the HMA rents as of Q1 2016 were higher in all areas than nationally, with all rents in the HMA at £925 (40% higher than the national average). The HMA ranks in the top 25% most expensive for rents nationally, and in the top 15% outside of London.
- 3.33 Over the last four years, rents in Mid Sussex have risen 16.4% which is broadly similar to the rate of change seen across England, however from a higher starting point. Across the HMA, the increase in rents has ranged from 16.4% (£130) for Horsham to 23.3% (£175) in Crawley. The lack of affordability in some of these areas is likely to have had a knock-on impact on private rents; as fewer people are able to afford to buy, more people move into the private rented sector. Without sufficient supply to meet demands, the cost of renting increases.



Figure 3.5 Average Monthly Rents



Source: VOA Private Rental Market Statistics

Table 3.4 Average Monthly Rents and Change

	Q2 2011	Q1 2016	% Change	Absolute Change
<b>England</b>	<b>£570</b>	<b>£650</b>	<b>14.0%</b>	<b>£80</b>
West Sussex	£700	£850	21.4%	£150
Crawley	£750	£925	23.3%	£175
Horsham	£795	£925	16.4%	£130
Mid Sussex	£795	£925	16.4%	£130

Source: VOA Private Rental Market Statistics

- 3.34 Rental costs in Mid Sussex are the same as the rest of the HMA and are well above the national average of £650. The HMA overall has some of the most expensive monthly rents outside London, and are in excess of the national average. Overall the cost of rents is a strong indicator that housing supply in Mid Sussex (and the HMA) should be increased to help address housing demand.

## Rate of Development

- 3.35 The rate of development is a supply-orientated indicator which assesses past completions against the relevant planned supply. With regards to past undersupply of development the PPG (ID 2a-019) sets out that;
- “...if the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.”*
- 3.36 Mid Sussex District does not currently have an adopted Local Plan containing a relevant housing target for the District. In this context, there are two relevant historic ‘planned supply’ figures that could be considered: the targets within the

West Sussex Structure Plan and the South East Plan Regional Strategy (although these are now both revoked, it is unclear what MSDC has been using as the relevant target in the interim given the absence of an adopted Local Plan).

- 3.37 The West Sussex Structure Plan (2005) made a provision for 10,175 dwellings, or 680 dwellings per annum, over the period 2001 to 2016 in Mid Sussex. By comparison, the delivery of housing in Mid Sussex totalled 7,534 over the same period, representing an under-supply of 2,641 dwellings (see Table 3.5).
- 3.38 The South East Plan (2009) set out a target totalling 17,100 dwellings, or 855 dwellings per annum, for the period 2006 to 2026 in Mid Sussex. This equates to 8,550 dwellings over the period 2006/07 to 2015/16. By comparison, the actual delivery of housing in Mid Sussex totalled 5,158 in the same period, representing an under-supply of 3,394 dwellings (see Table 3.5).

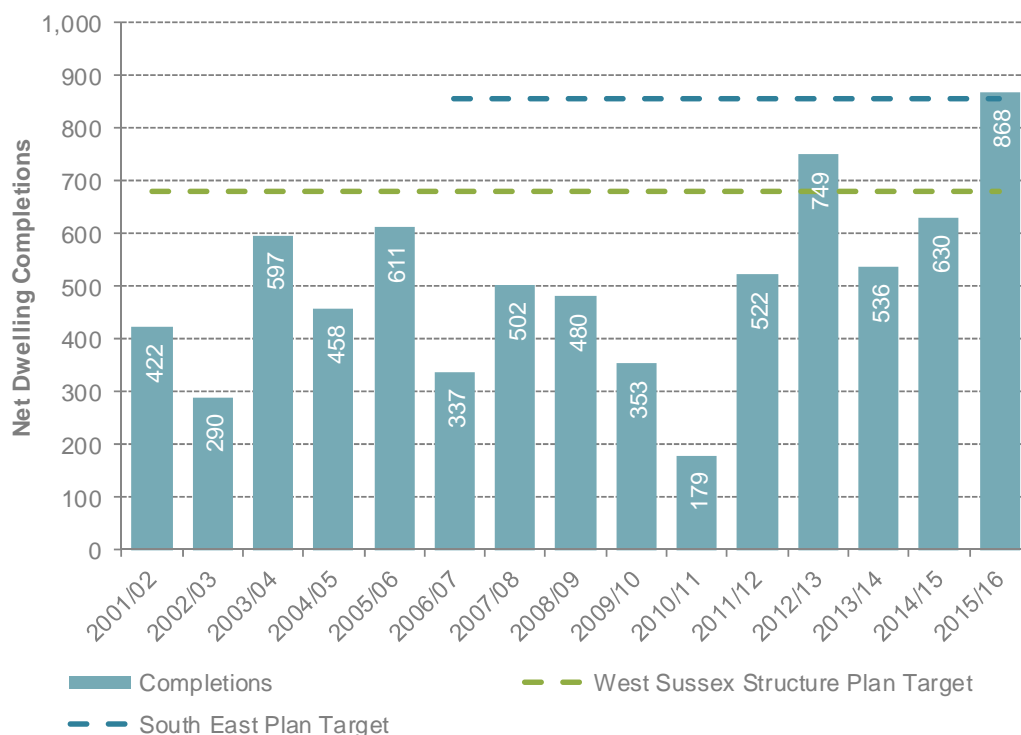
Table 3.5 Comparison of Completions in Mid Sussex to West Sussex Structure Plan/South East Plan

Year	Completions	West Sussex Structure Plan Target	Shortfall/surplus	South East Plan Target	Shortfall/surplus
2001/02	422	678	-256	~	~
2002/03	290	678	-388	~	~
2003/04	597	678	-81	~	~
2004/05	458	678	-220	~	~
2005/06	611	678	-67	~	~
2006/07	337	678	-341	855	-518
2007/08	502	678	-176	855	-353
2008/09	480	678	-198	855	-375
2009/10	353	678	-325	855	-502
2010/11	179	678	-499	855	-676
2011/12	522	678	-156	855	-333
2012/13	749	678	71	855	-106
2013/14	536	678	-142	855	-319
2014/15	630	678	-48	855	-225
2015/16	868	678	190	855	13
<b>Total</b>	<b>7,534</b>	<b>10,175</b>	<b>-2,641</b>	<b>8,550</b>	<b>-3,394</b>

Source: MSDC Annual Monitoring Reports, West Sussex Structure Plan, South East Plan

- 3.39 Whilst overall in recent years Mid Sussex has, on the whole under delivered against its relevant target, it is of note that in recent years in particular, housing supply in the District has been increasing. This suggests that a housing target which is in excess of that currently proposed by the Council (800 dpa) would not represent a figure which is unrealistic and is unlikely to occur, particularly given that in the last year alone, a total of 868 dwellings were completed in the District (and in 2013/14 there were 749 completions) even with there being no Local Plan in place.

Figure 3.6 Historic Completions - 2001/02 to 2015/16



Source: MDSC Annual Monitoring Reports

## Overcrowding and Homelessness

3.40 Overcrowding, shared households and homelessness are further indicators that there is an unmet housing need in an area. The PPG sets out (ID 2a-019) that “...[long term increases] might be a signal to consider increasing planned housing numbers”. The Censuses provide data on overcrowded households and concealed families (a proxy for sharing households), and data on homelessness can be obtained from CLG which publishes data on an annual basis.

### Overcrowding

3.41 Overcrowded households are identified by the Census as households with fewer rooms (or bedrooms) than required, based on a standard formula which takes into account the number of people in a household and their relationships.

3.42 Table 3.4 shows the rates of overcrowding in Mid Sussex District, the North Western Sussex Authorities and England. As of 2011 there were 3,199 overcrowded households in Mid Sussex representing 5.6% of all households in the District. This is an increase on the 3.9% of households which were overcrowded in 2001. The rate of overcrowding in Mid Sussex is lower than nationally (8.7%) and the second lowest in the North Western Sussex HMA. Crawley has higher levels of overcrowding at 9.8% and is therefore higher than nationally. While the other authorities in North Western Sussex have lower

than average rates of overcrowding, these areas have seen the same or greater increase in overcrowding since 2001 than nationally.

Table 3.6 Rate of Overcrowding and Change - 2001-11

	2001		2011		% Change in Rate of Overcrowding
	Overcrowded Households	As % of all Households	Overcrowded Households	As % of all Households	
<b>England</b>	<b>1,457,512</b>	<b>7.1%</b>	<b>1,928,596</b>	<b>8.7%</b>	<b>22.7%</b>
West Sussex	16,947	5.3%	23,155	6.7%	26.9%
Crawley	3,061	7.6%	4,196	9.8%	29.5%
Horsham	2,163	4.3%	2,929	5.3%	23.4%
Mid Sussex	2,014	3.9%	3,199	5.6%	43.8%

Source: Census 2001/Census 2011

### Concealed Families

- 3.43 Concealed families occur when a household is made up of more than one family; in the Census, each family is assigned a 'family reference person', and where that family reference person is not the overall household representative, that family is considered to be concealed. An example of a concealed family would be a young couple (with or without children) living with parents, albeit a similarly single person in the same position would not be recorded as a concealed family.
- 3.44 As of 2011 there were 509 concealed families in Mid Sussex which represented 1.2% of all families in the District. This is a similar rate of concealment as in Horsham (1.2%) and West Sussex County as a whole (1.5%), however lower than Crawley (2.5%) and England overall (1.9%). Similar to overcrowding, the rate of concealment in Mid Sussex has increased over the ten year period between 2001 and 2011 (81.4%), however this was not as severe as increases seen in Horsham District (100.6%).

Table 3.7 Rate of Concealed Families and Change - 2001-2011

	2001		2011		% Change in Rate of Concealed Families
	Concealed Households	As % of all Households	Concealed Households	As % of all Households	
<b>England</b>	<b>161,254</b>	<b>1.2%</b>	<b>275,954</b>	<b>1.9%</b>	<b>59.2%</b>
West Sussex	1,842	0.8%	3,452	1.5%	75.4%
Crawley	360	1.3%	755	2.5%	100.6%
Horsham	246	0.7%	451	1.2%	69.8%
Mid Sussex	256	0.7%	509	1.2%	81.4%

Source: Census 2001/ Census 2011

### Homelessness

- 3.45 CLG to provide data on the number of households in each Local Authority District which are accepted as being homeless and in priority need as well as the number of households who are in temporary accommodation.
- 3.46 In Mid Sussex, the number of homeless households has fallen from 89 to 38 over the last 11 years. As of 2014/15, 0.64 households per 1,000 in Mid Sussex were in priority need. This is the lowest amongst the HMA and

represents a decline of 61%. Nationally, the rate of homelessness has fallen from 5.73 to 2.40 in 2014/15, or a decline of 58.2%. Across the other three authorities in the HMA the rate of homelessness has decreased at a slightly slower rate, with Crawley maintaining the highest rate- from 5.95 to 4.46 per 1,000 households.

Table 3.8 Homelessness - Numbers accepted as being homeless and in priority need

	2004/05		2014/15		Change in rate
	Total	Per 1,000 Households	Total	Per 1,000 Households	
<b>England</b>	<b>120,860</b>	<b>5.73</b>	<b>54,430</b>	<b>2.40</b>	<b>-58%</b>
West Sussex	930	3.08	567	1.59	-48%
Crawley	250	5.95	201	4.49	-25%
Horsham	130	2.50	93	1.64	-34%
Mid Sussex	89	1.65	38	0.64	-61%

Source: CLG Live Table 784 (P1e Returns)

- 3.47 In terms of households in temporary accommodation, Mid Sussex has the lowest rate amongst the HMA at 0.51 per 1,000 households. This is a 46.5% decline on the 2004/05 levels, and is the second greatest rate of decline than seen across England and the rest of the authorities in the HMA. The greatest rate of decline was seen in Crawley which has decreased from 12.00 to 4.62 per 1,000 households in the last 11 years.

Table 3.9 Homelessness - Households in temporary accommodation

	2004/05		2014/15		Change in rate
	Total	Per 1,000 Households	Total	Per 1,000 Households	
<b>England</b>	<b>101,070</b>	<b>4.79</b>	<b>64,710</b>	<b>2.85</b>	<b>-40.5%</b>
West Sussex	1,244	4.12	501	1.40	-65.9%
Crawley	504	12.00	207	4.62	-61.5%
Horsham	95	2.00	60	1.06	-42%
Mid Sussex	51	0.94	30	0.51	-46.5%

Source: CLG Live Table 784 (P1e Returns)

- 3.48 Mid Sussex District has performed relatively well in terms of overcrowding and homelessness. The rate of overcrowding and concealment has increased at a relatively low rate compared to the rest of the HMA and nationally, and the rate of homelessness has seen the greatest decline in Mid Sussex, and is currently the lowest in the HMA.

## Comparison of Market Signals

- 3.49 In order to draw meaningful conclusions about the extent to which these market signals indicate housing market stress in Mid Sussex (as well as other parts of West Sussex), the PPG suggests comparing these to other authorities within the HMA, similar demographic/economic areas and nationally. For the purpose of this assessment, Mid Sussex has been assessed against the other authorities in West Sussex, as well as its neighbouring authorities. These neighbouring authorities have similar demographic/economic characteristics

and fall under the same OAC Supergroup Classification<sup>10</sup> as Mid Sussex. These areas are:

1 North West Sussex HMA

- Crawley
- Horsham

2 Neighbouring authorities/areas with similar characteristics

- Mole Valley
- Waverley
- Tandridge
- Guildford
- Reigate and Banstead
- Sevenoaks
- Tunbridge Wells
- Tonbridge and Malling

3.50

A higher ranking in these tables indicate a worse performing market signal and a lower ranking a better outcome. The data underpinning this analysis can be found in Appendix 1.

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<sup>10</sup> <http://www.ons.gov.uk/ons/guide-method/geography/products/area-classifications/ns-area-classifications/ns-2011-area-classifications/maps/index.html> - Mid Sussex and neighbouring authorities classified as 'Prosperous England'



Table 3.10 Market Signals Comparison - Cost of Housing

Rank	House Prices			Affordability			Rents		
	Median (2015)	% Change (2000-2015)	Absolute Change (2000-2015)	Ratio (2015)	% Change (2000-2015)	Absolute Change (2000-2015)	Median (Q1 2016)	% Change (Q2 2011-Q1 2016)	Absolute Change (Q2 2011-Q1 2016)
1	Mole Valley	England	Mole Valley	Tandridge	Tonbridge and Malling	Horsham	Tandridge	Tandridge	Tandridge
2	Waverley	Tunbridge Wells	Waverley	Horsham	Horsham	Tandridge	Mole Valley	Mole Valley	Mole Valley
3	Tandridge	Crawley	Tandridge	Waverley	Sevenoaks	Sevenoaks	Guildford	Tonbridge and Malling	Tonbridge and Malling
4	Guildford	Mid Sussex	Guildford	Sevenoaks	Crawley	Tonbridge and Malling	Sevenoaks	Reigate and Banstead	Reigate and Banstead
5	Reigate and Banstead	Tandridge	Reigate and Banstead	Mole Valley	Tandridge	Mid Sussex	Waverley	Crawley	Sevenoaks
6	Sevenoaks	Horsham	Horsham	Mid Sussex	Mid Sussex	Waverley	Reigate and Banstead	Sevenoaks	Crawley
7	Horsham	Mole Valley	Sevenoaks	Tonbridge and Malling	England	Mole Valley	Tonbridge and Malling	Tunbridge Wells	Waverley
8	Mid Sussex	Reigate and Banstead	Mid Sussex	Guildford	Tunbridge Wells	Tunbridge Wells	Mid Sussex	Waverley	Guildford
9	Tunbridge Wells	Sevenoaks	Tunbridge Wells	Tunbridge Wells	Reigate and Banstead	Reigate and Banstead	Crawley	Mid Sussex	Mid Sussex
10	Tonbridge and Malling	Waverley	Tonbridge and Malling	Reigate and Banstead	Waverley	Crawley	Horsham	Horsham	Horsham
11	Crawley	Guildford	Crawley	Crawley	Mole Valley	Guildford	Tunbridge Wells	Guildford	Tunbridge Wells
12	England	Tonbridge and Malling	England	England	Guildford	England	England	England	England
Source:	ONS HPSSA	ONS HPSSA	ONS HPSSA	CLG Live Table 576 (2016 Update)	CLG Live Table 576 (2016 Update)	CLG Live Table 576 (2016 Update)	VOA Private Rental Market Statistics	VOA Private Rental Market Statistics	VOA Private Rental Market Statistics



Table 3.11 Market Signals Comparison - Overcrowding and Homelessness

Rank	Overcrowded Households			Concealed Families			Households in Priority Need			Households in Temporary Accommodation		
	%, 2011	Change (%) (2001-2011)	Change (pp.) (2001-2011)	%, 2011	Change (%) (2001-2011)	Change (pp.) (2001-2011)	per 1,000 Households (2014/15)	% Change (2004/05-2014/15)	Absolute Change (2004/05-2014/15)	per 1,000 Households (2014/15)	% Change (2004/05-2014/15)	Absolute Change (2004/05-2014/15)
1	Crawley	Mid Sussex	Crawley	Crawley	Crawley	Crawley	Crawley	Crawley	Guildford	Crawley	Mole Valley	Mole Valley
2	England	Tonbridge and Malling	Tunbridge Wells	England	Mid Sussex	England	England	Horsham	Mole Valley	England	Reigate and Banstead	Mid Sussex
3	Tunbridge Wells	Tunbridge Wells	Mid Sussex	Reigate and Banstead	Horsham	Mid Sussex	Reigate and Banstead	Reigate and Banstead	Horsham	Reigate and Banstead	Tunbridge Wells	Tunbridge Wells
4	Guildford	Crawley	England	Mid Sussex	England	Horsham	Horsham	Mole Valley	Mid Sussex	Mole Valley	England	Horsham
5	Mole Valley	Horsham	Tonbridge and Malling	Guildford	Tunbridge Wells	Sevenoaks	Tonbridge and Malling	Guildford	Tandridge	Horsham	Horsham	Reigate and Banstead
6	Reigate and Banstead	Mole Valley	Mole Valley	Tandridge	Sevenoaks	Tunbridge Wells	Tunbridge Wells	England	Sevenoaks	Tunbridge Wells	Mid Sussex	Tandridge
7	Mid Sussex	England	Reigate and Banstead	Sevenoaks	Tandridge	Tandridge	Mole Valley	Mid Sussex	Crawley	Sevenoaks	Crawley	Tonbridge and Malling
8	Tandridge	Sevenoaks	Horsham	Mole Valley	Tonbridge and Malling	Tonbridge and Malling	Mid Sussex	Tonbridge and Malling	Reigate and Banstead	Tandridge	Tandridge	Guildford
9	Horsham	Reigate and Banstead	Guildford	Tonbridge and Malling	Reigate and Banstead	Reigate and Banstead	Tandridge	Tandridge	Waverley	Guildford	Guildford	Waverley
10	Tonbridge and Malling	Tandridge	Sevenoaks	Horsham	Guildford	Guildford	Sevenoaks	Sevenoaks	Tonbridge and Malling	Mid Sussex	Tonbridge and Malling	England
11	Waverley	Guildford	Tandridge	Tunbridge Wells	Waverley	Mole Valley	Guildford	Tunbridge Wells	England	Tonbridge and Malling	Waverley	Crawley
12	Sevenoaks	Waverley	Waverley	Waverley	Mole Valley	Waverley	Waverley	Waverley	Tunbridge Wells	Waverley		
Source:	Census 2011	Census 2001, Census 2011	Census 2001, Census 2011	Census 2011	Census 2001, Census 2011	Census 2001, Census 2011	CLG Live Table 784 (P1e Returns)	CLG Live Table 784 (P1e Returns)	CLG Live Table 784 (P1e Returns)	CLG Live Table 784 (P1e Returns)	CLG Live Table 784 (P1e Returns)	CLG Live Table 784 (P1e Returns)

## Uplift on Demographic-led Needs

- 3.51 The PPG states that such factors mean consideration should be given to additional housing supply, over and above that solely required by demographic change in order to address affordability issues and reverse worsening market trends. The amount that supply should be increased by is not definitive, although the PPG is clear that the more significant the affordability pressures, the larger the improvement needed and therefore the larger than supply response should be (ID 2a-020).
- 3.52 In terms of calculating an appropriate uplift, some recent Local Plan Inspector's findings have given an indication as to what an appropriate uplift might be with the Eastleigh Local Plan Inspector advocating an uplift of 10% for 'modest' market signals and the Inspector at the Canterbury Local Plan examination accepting an uplift of 20% for 'more than modest' market signals.
- 3.53 Table 3.12 shows how Mid Sussex compares with Eastleigh and Canterbury in terms of house prices, affordability and market signals (it also shows how each indicator ranks nationally). Mid Sussex is more expensive than both areas at £325,000, and over the last 15 years prices have risen £197,000 which is again higher than both other areas. The rate of house price growth in Mid Sussex has been slightly lower than Canterbury (154% cf. 175%), however house prices in Mid Sussex were already higher in 2000 to begin with.
- 3.54 Mid Sussex is also significantly less affordable than both areas, with lower quartile house prices 12.6 times earnings. This represents a rise of 5.7 since 2000. Monthly rents in Mid Sussex are also higher than both areas at £925. In conclusion, NLP consider that for Mid Sussex, **an appropriate uplift to account for market signals would be 25%**. This would be consistent with recent Inspector's findings and proportionate to the level of market signals pressures in the District. NLP also note that uplifts in excess of this, e.g. 30% have been advocated elsewhere where market signals are worse than seen in Mid Sussex, for example Cambridge City Council recently put forward a 30% uplift to the demographic starting point in order to address the 'significant' market signals in the city.
- 3.55 Applying a 25% uplift to the demographic starting point range of 784 to 833 dwellings per annum this would result in a need for **980 to 1,041 dwellings per annum**.

Table 3.12 Comparison of Market Signals - Mid Sussex, Eastleigh, Canterbury and Cambridge

	Mid Sussex	Eastleigh (10%)	Canterbury (20%)
2015 Average House Price	£325,000	£244,000	£245,000
	Rank: 56	120	112
Rate of change 2000-2015	154%	144%	175%
	177	240	74
Absolute change 2000-2015	£197,000	£144,050	£155,900
	57	122	98
2015 LQ affordability ratio	12.6	8.7	10.8
	43	155	83
Rate of change 2000-2015	82.2%	50.6%	93.2%
	192	312	128
Absolute change 2000-2015	5.7	2.9	5.2
	57	242	74
Q1 2016 Rents	£925	£795	£800
	65	105	99
Rate of Change Q2 '11-Q1 '16	16.4%	17.8%	15.1%
	110	99	126
Absolute Change Q2 '11-Q1 '16	£130	£120	£105
	86	99	105

Source: ONS HPSSA, CLG Live Table 576, VOA Private Rental Market Statistics

Note: 'Rank' is out of 326 Local Authorities nationally, with 1 indicating worst outcome.

## Economic-led Needs

3.56 The next component of the HEaDROOM framework is based on an understanding of the relationship between housing and employment. Although there are a complex set of issues involved in matching labour markets and housing markets (with different occupational groups having a greater or lesser propensity to travel to work), there are some simple metrics that can explore the basic alignment of employment, demographic and housing change, notably the amount of housing needed to sustain a given labour force assuming certain characteristics of commuting and employment levels.

3.57 Ensuring a sufficient supply of homes within easy access of employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures and unsustainable levels of commuting (and therefore congestion and carbon emissions). If the objective of employment growth is to be realised, then it will generally need to be supported by an adequate supply of suitable housing. The challenge of meeting employment needs is clearly given a heightened importance as a result of the need to secure economic growth out of recession, and the NPPF highlights this by stating that planning should “do everything it can” to support economic growth. The PPG further clarifies that (ID 2a-018);

*“Where the...labour force supply is less than the projected job growth, this could result in unsustainable commuting patterns...and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing...could help address these problems.”*

3.58 To model this demographically, the POPGROUP model constrains or inflates migration to a level (reflecting the age profile specific to Mid Sussex) which, alongside natural change in the population, produces a local labour force sufficient to support the given level of employment taking account of commuting. Within the modelling NLP has made an allowance for unemployment levels to return to their pre-recession levels in the longer-term, however has assumed that the relative balance of commuting in Mid Sussex will remain constant. As with the demographic-led scenarios, all scenarios have been modelled twice; once using 2014-based household formation rates (as published by DCLG) and once using partial catch-up headship rates.

3.59 The scenarios which have been assessed are;

- **Scenario E: Economic Growth Assessment (EGA) Jobs** - this is based on forecast job growth of 521 per annum between 2011 and 2031 (10,420 total) as set out in the Northern West Sussex Economic Growth Assessment (2014)<sup>11</sup>;
- **Scenario F: Burgess Hill Employment Sites Study (BHES) Jobs** – this is based on forecast job growth of 478 per annum between 2011 and 2031 (9,563 total) as set out in the BHES (March 2015)<sup>11</sup>; and
- **Scenario G: Local Plan Jobs (Council Estimate)** – this is based on the Council's estimate that based on the employment land allocations in the emerging Local Plan, 294 jobs per annum would be created (as set out in the HEDNA Update, November 2015).

### Scenario E: EGA Jobs

3.60 To support total job growth 10,420 over the period 2011-31, a total of 8,622 jobs would need to be created between 2014 and 2031 (i.e. the plan period). This equates to an average of 507 jobs per annum. To support this level of job growth, there would need to be population growth of 26,322 and household growth of 808 per annum or 834 per annum using partial catch-up headship rates. This would generate a need for 826 to 853 dwellings per annum.

3.61 This level of job growth would require a level of housing which is marginally higher than Scenario D (London High), suggesting that despite the HEDNA considering this job growth to be too high, it is a scenario which could reasonably be expected to occur.

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<sup>11</sup> Scenarios E and F take into account job growth seen between 2011 and 2014 (i.e. the base date of the plan period), hence the overall totals and annual averages presented in the outputs do not necessarily align with those presented here due to the different timeframes.

Scenario E: 826 dwellings per annum

Scenario Ei: 853 dwellings per annum

### Scenario F: BHESS Jobs

3.62 To support job growth of 9,563 jobs in total over the period 2011-31 there would need to be growth of an additional 7,765 jobs from 2014 onwards, equivalent to 457 jobs per annum. This would require population growth of 24,532 and household growth of between 768 and 794 per annum. This translates into a need for 785 to 812 dwellings per annum.

3.63 This level of job growth is in line with Scenarios C and D, which suggests that population growth arising from additional in-migration from London is likely to provide a sufficient workforce to at least support this level of job growth.

Scenario F: 785 dwellings per annum

Scenario Fi: 812 dwellings per annum

### Scenario G: Local Plan Jobs (Council Estimate)

3.64 Based on the Council's estimate that a total of 5,000 jobs will be created during the plan period (2014-31), equivalent to 294 jobs per annum, there would need to be population growth of 18,757 and a need for between 654 and 679 dwellings per annum.

3.65 This is lower than the need suggested by the starting point alone (i.e. the latest population and household projections), and given that two other sources suggest that job growth in the District will be higher, Scenario G is not considered to be a scenario which plan positively for growth taking into account the full economic potential of the District.

Scenario G: 654 dwellings per annum

Scenario Gi: 679 dwellings per annum

### Summary of Economic-led Scenarios

3.66 The level of housing required to support the Council's estimate of job creation over the plan period is lower even than the demographic starting point. For this reason, and for the reasons set out in Section 2.0 (given this scenario is constrained to the supply of land set out in the emerging plan, contrary to the PPG) it is considered that this scenario does not represent a suitable basis for which to plan for housing and is likely to significantly under estimate the likely level of future job growth in light of the alternative scenarios.

3.67 The lower of the remaining two scenarios (based on the BHESS) suggests that population growth associated with additional growth from London would help support growth of 9,463 jobs between 2011 and 2031. The higher level of job

growth set out in the EGA would require a level of housing growth which is slightly above that associated with higher growth from London. This suggests the scenario is not an unreasonable estimate of future job growth (as indicated by the Council) given there is likely to be sufficient labour force growth to support this. Overall, the highest job growth forecasts suggests that some uplift could be applied to the demographic-led needs, albeit given the market signals uplift results in a range of 980 to 1,041 dwellings per annum, it is considered that no further uplift is required for economic-led needs.

## Affordable Housing Needs

- 3.68 NLP has not sought to carry out its own full assessment of affordable housing needs, instead drawing upon the evidence set out in the HEDNA Update. Section 2.0 sets out how the calculation of affordable housing needs set out in the HEDNA Update does not follow the methodology set out in the PPG, and as such NLP has re-calculated the affordable housing needs using gross household formation<sup>12</sup> and removing the committed supply of new affordable housing. This is shown in Table 3.13, and shows that there is a need for 380 affordable dwellings per annum over the plan period.

Table 3.13 Affordable Housing Needs Calculation (based on reasonable preference categories)

	Council Calculation	NLP Calculation
<b>Stage 1: Current Housing Need</b>		
1.1 Homeless Households/Those in Temporary Accommodation	0	0
1.2 Overcrowded and Concealed Households	0	0
1.3 Households in Need in Reasonable Preference Groups	255	255
1.4 Total Current Affordable Housing Need (1.1 + 1.2 + 1.3)	255	255
<b>Stage 2: Future Affordable Housing Needs</b>		
2.1 New Household Formation	656	976
2.2 Proportion of Households unable to buy or rent	44.2%	44.2%
2.3 Existing Households falling into need per annum	105	105
2.4 Total newly arising need (per annum) (2.1 x 2.2 + 2.3)	395	536
<b>Stage 3: Affordable Housing Supply</b>		
3.1 Affordable dwellings occupied by households in need	0	0
3.2 Surplus affordable housing stock	0	0
3.3 Committed Supply of new affordable housing	1,223	0
3.4 Units to be taken out of management	0	0
3.5 Total available affordable housing stock	1,223	0
3.6 Annual supply of social re-lets	128	128
3.7 Annual supply of intermediate affordable housing for sale/let	43	43
3.8 Annual supply of affordable housing	171	171
<b>Net Annual Housing Need</b>	<b>127</b>	<b>380</b>

Source: NLP based on HEDNA Update/DCLG Household Projections

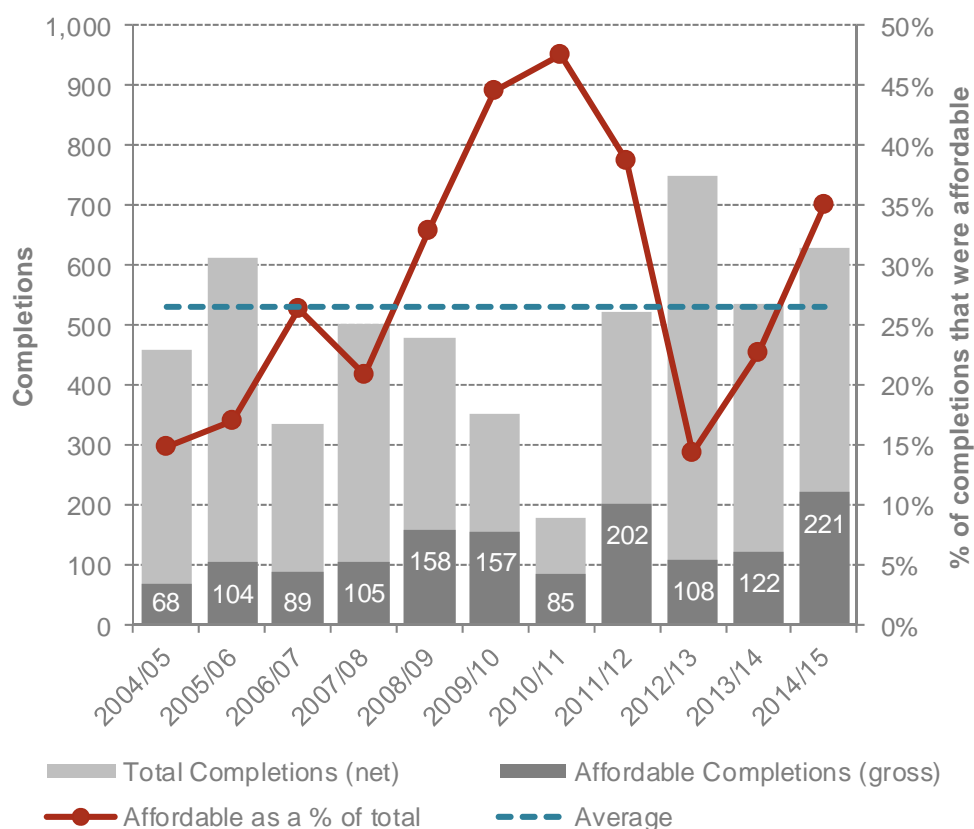
- 3.69 The PPG states (ID 2a-029) states that;

<sup>12</sup> Gross household formation based on 15 year average for 2014 to 2029 using DCLG 2014-based Household Projections

*“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”*

- 3.70 The Mid Sussex Submission District Plan (Policy DP 29 – Pre-Submission Plan with Focused Amendments and Further Modifications) states the Council will seek the provision of a minimum of 40% affordable for all residential developments providing a net increase of 11 or more dwellings. However, in the Council’s response to the Inspector’s Initial Questions (Housing) (MSDC 1, page 2) the Council stated that this affordable housing policy was to be held in abeyance until the position on starter homes is clearer, with the affordable housing policy reverting to the position in the Pre-Submission Plan (June 2015) which set a requirement for 30% affordable homes.
- 3.71 When considering the likely rate of future delivery as required by the PPG, it is important to consider it is unlikely that all sites will achieve the specified 30% affordable housing. Furthermore, evidence from the Council’s Annual Monitoring Reports shows that in recent years, the actual percent of affordable housing delivered in Mid Sussex has been lower, as shown in Figure 3.7. The percent of completions which have been affordable has varied, from as low as 14% in 2012/13 to 47% in 2010/11, and overall between 2004/05 and 2014/15, an average of 26% of net completions in the District were affordable. This is important when considering the ‘likely’ level of future affordable housing delivery as set out in the PPG.

Figure 3.7 Past Affordable Housing Completions



Source: NLP based on Mid Sussex District Council Annual Monitoring Report (2014/15)

- 3.72 If affordable housing were to be delivered in line with the longer term average (26%) then to deliver the required 380 affordable dwellings per annum, a total of 1,462 dwellings per annum would be needed. At 30% (likely to be the upper limit based on the likely District Plan policy) a total of 1,267 dwellings per annum would be needed.
- 3.73 It is evidence from the affordable housing needs that there is significant upward pressure on the OAN in order to help deliver affordable housing. This also supports the range identified thus far taking into account a 25% uplift for market signals (980-1,041 dwellings).

## Summary

- 3.74 The most recent official population and household projections are the ONS/CLG 2014-based projections, and over the Council's Plan period these show growth of 714 households per annum, translating into a need for 730 dwellings per annum (taking account of second home/vacancy rates). Taking into account the most recent mid-year estimates, as well as changes in migration patterns from London, the additional population growth would result in a need for between 758 and 806 dwellings per annum. Allowing for some improvement in housing outcomes in younger adults, whereby household



formation rates return (in part) to the pre-recession rates by 2033 would result in a need for **784 to 833** dwellings per annum, i.e. the demographic-led need.

- 3.75 The level of job growth set out in the Council's latest economic evidence suggests there is a need for between 812 and 853 dwellings per annum (including an allowance for partial catch-up headship rates), which is broadly in line with the upper end of the demographic-led scenarios. This suggests that this level of job growth is not unrealistic (as suggested by the Council).
- 3.76 Analysis of market signals for Mid Sussex suggests that the area performs particularly poorly compared with West Sussex county and England overall in terms of house prices, affordability and the cost of rents. When compared to other areas where Inspectors have accepted uplifts of between 10% and 20%, it is considered applying a 25% uplift to the demographic-led needs is appropriate in Mid Sussex and this would equate to a need for between **980 and 1,041** dwellings per annum.
- 3.77 The significant need for affordable housing in the District also supports a figure within this range, particularly given that the level of affordable housing provision is likely to be overall lower than the 30% set out in the emerging Plan (particularly in the context of past delivery, which has averaged 26% affordable housing). Even if the Council were able to achieve an increase in the delivery of affordable housing from historic rates of 26% up to 30% this would still require a total of 1,267 dwellings per annum. If past rates of affordable housing delivery continued a total of 1,462 dpa would be needed to meet full affordable housing needs. As such the **full, objectively assessed need for housing for Mid Sussex District for the period 2014-31 is considered to be 1,000 dwellings per annum**. This takes into account future population and household growth, responds to market signals, supports the economic growth potential and provides an uplift which helps to meet the identified need for affordable housing.

Figure 0.1 Summary of Outputs

	Demographic-led Scenarios								Economic-led Scenarios						
	Scenario A: 2014-based SNPP	Scenario Ai: 2014-based SNPP, PCU	Scenario B: 2014-based SNPP, 2015 MYEs	Scenario Bi: 2014-based SNPP, 2015 MYEs, PCU	Scenario C: London (Low)	Scenario Ci: London (Low), PCU	Scenario D: London (High)	Scenario Di: London (High), PCU	Scenario E: EGA Jobs	Scenario Ei: EGA Jobs, PCU	Scenario F: BHES Jobs	Scenario Fi: BHES Jobs, PCU	Scenario G: Local Plan Jobs (Council Estimate)	Scenario G: Local Plan Jobs (Council Estimate)	
Population Change	+21,096		+21,260		+23,315		+25,452		+26,322		+24,532		+18,757		~
of which nat. change	+2,590		+2,719		+2,958		+3,185		+3,278		+3,075		+2,420		~
of which net migration	+18,506		+18,541		+20,357		+22,267		+23,043		+21,457		+16,338		~
Households	+12,141	+12,548	+11,819	+12,244	+12,595	+13,028	+13,403	+13,847	+13,731	+14,181	+13,054	+13,495	+10,870	+11,283	~
Households p.a.	+714	+738	+695	+720	+741	+766	+788	+815	+808	+834	+768	+794	+639	+664	~
Dwellings p.a.	+730	+755	+711	+736	+758	+784	+806	+833	+826	+853	+785	+812	+654	+679	1,267 – 1,462
Jobs	+6,048		+6,195		+7,173		+8,195		+8,622		+7,765		+5,000		~
Jobs p.a.	+356		+364		+422		+482		+507		+457		+294		~

Source: NLP Analysis



## 4.0 Meeting Housing Needs across the HMA

- 4.1 The NPPF requires Plans to meet OAN across HMAs and reflect any unmet needs from neighbouring authorities in order to be 'positively prepared'. In addition to the District's objectively assessed need, Mid Sussex will need to at least test its ability to make additional provision to meet unmet need from elsewhere in order that it can show it meets the NPPF requirements. Identifying the scale of unmet needs Mid Sussex may need to 'aim at' is fundamentally necessary for the Council to be able to properly undertake the tilted balancing exercise that is the principle behind paragraph 14 of the NPPF.
- 4.2 At present, the emerging Plan makes provision for 46 dpa of unmet need (on top of its identified OAN of 754 dpa). However, as shown in Section 3.0, the OAN for Mid Sussex is well in excess of the 754 figure identified by the Council; the OAN is considered to be upwards of 1,000 dwellings per annum. This means that the housing requirement in the emerging Plan is not even sufficient to meet the District's own need, let alone any unmet needs. Furthermore, the extent of unmet needs has changed since the Council prepared its evidence, placing even more upward pressure on the Council to deliver more homes to meet the significant amount of unmet need that exists across the area.

## Mid Sussex District Council's Position

### The Correct Housing Market Area

- 4.3 The housing requirement in the emerging District Plan makes minimal provision in meeting the unmet housing needs of neighbouring authorities/other parts of the Housing Market Area (HMA). It makes only a 46 dpa contribution to meeting the unmet needs from elsewhere, with the proposed modifications to the Plan (BP4) not specific on which element of unmet need (and from where) that contribution is addressing.
- 4.4 Mid Sussex is identified as, primarily, being a constituent part of the Northern West Sussex HMA (alongside Crawley and Horsham). The Council acknowledge this relationship in their response to the Inspector's Initial Questions<sup>13</sup> identifying that Mid Sussex forms an established part of the North West Sussex HMA.
- 4.5 The District also has linkages with the neighbouring HMA of Coastal West Sussex, which is centred on Brighton, particularly due to commuting flows between the HMAs, with both HMAs acknowledging '*strongly the potential relationships that exist between their areas*' (MSDC1 page 3). However, the Council has made limited allowance in the Plan for accommodating any unmet needs and, even then, appear to indicate a strategy which suggests the unmet needs that are addressed are those related to Crawley only (as per the original

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<sup>13</sup> Letter from Mid Sussex District Council to the Inspector: Mid Sussex District Plan Examination: Inspector's Initial Questions (Housing) 29 September 2016 (MSDC1)

wording in the draft Plan, but now amended). They appear to be basing this on a number of factors, the **first** being;

*“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 of its surrounding authorities, with authorities typically acknowledging the total level of their unmet needs only.”*

- 4.6 However, the Council's own analysis (EP14<sup>14</sup>) tests different levels of unmet need from each of the LPAs based on various metrics, such as migration flows and travel to work patterns. Therefore the Council are not only fully aware of the areas with unmet need, it is also aware of the total quantum of this unmet need and the different levels which could be accommodated depending on the various metrics. For example, the Council's own evidence shows that if it were to meet Brighton & Hove's unmet need based on travel to work data, this would amount to 4,008 dwellings. Despite this analysis, the Council go on to state that;

*“None of this analysis really provides a firm basis for estimating a precise number for Mid Sussex... furthermore it is impossible in evidential terms to say that the District or part of it falls within the Coastal HMA in the way the question perhaps implies...”*

- 4.7 This appears to directly contradict the Council's previous statement which acknowledged the linkages that exist between the HMAs, particularly commuting relationships, and the Council's evidence which, through use of travel to work and migration analysis, quantifies the relationship Mid Sussex has with all of the LPAs (including those in the Coastal HMA) and uses this to determine how much unmet need this could translate into (on the assumption that unmet needs followed those flows).

- 4.8 **Secondly**, the Council cites the Horsham Local Plan Inspector's Report as an apparent justification for the absence of any additional provision for Brighton and Hove (and therefore downplaying the potential level of unmet need Mid Sussex might need to accommodate). The Horsham Local Plan Inspectors stated;

*“I remain unconvinced of any considerable degree of overlap between the NW Sussex HMA and that of the coastal authorities to the south. The needs of Brighton and other nearby coast towns arise from the strong migratory pull of those wishing to live in a town by the sea; these pressures are not the same as those generated by smaller inland towns or rural communities...”*

- 4.9 However, there is no reason to suggest that this is an equally applicable justification in Mid Sussex for not meeting any of the unmet needs arising in Brighton and Hove. Mid Sussex District has inherently different commuting patterns with Brighton compared to Horsham. The Council's letter (MSDC1) sets out that there is a strong relationship between the Mid Sussex and Brighton, and that Burgess Hill is included within the Brighton travel-to-work area, with a two way relationship of daily travel between these areas. The

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<sup>14</sup> Sustainability Assessment of Cross-boundary options for the Mid Sussex District Plan (February 2015)

south of the District in particular has transport links with Brighton (including road and rail) which do not exist to the same extent between Horsham District and Brighton.

- 4.10 **Thirdly**, the Council appear to be simply deferring the issue of unmet needs to be addressed at an unspecified 'late date', stating;
- "...Brighton and Crawley have recently adopted plans where the unmet needs will be addressed at a later date, following further sub regional and cross-boundary work..."*
- 4.11 Mid Sussex is one of the final LPAs across Sussex to adopt a post-NPPF Local Plan, with most areas adopting a Local Plan relatively recently. If unmet needs are not addressed as part of the adopted of the Mid Sussex District Plan, it is completely unclear at what point in the future these needs will be met. In the interim however, these unmet needs do exist; deferring the strategy for meeting needs until a later date would do nothing to meet the unmet needs which clearly and demonstrably exist across Sussex at the current point in time.
- 4.12 **Finally**, the Council make no reference to the unmet needs of its other neighbouring authorities (particularly Wealden and Lewes), despite the NPPF stating (para 182) that a sound Local Plan should seeks to meet objectively assessed development requirements, including unmet requirements from neighbouring authorities. Again, these have been assessed as part of the Council's own evidence on unmet needs (EP14), testing various options for meeting the needs of each area. However this has not been included in the District Plan and the Council have made no reference to this in their response to the Inspectors Initial Questions. In the particular case of Lewes, it is part of the Coastal West Sussex HMA which it is acknowledged Mid Sussex has a degree of housing market inter-relationship with, and is not subject to the same concerns the Horsham Inspector advocated in respect of Horsham and Brighton with a large part Lewes' housing market unrelated to simply 'those wishing to live by the sea'.
- 4.13 If the Council continue to consider that, despite producing its own evidence on functional relationships and unmet housing needs, it is in some way impossible to evidence and agree the unmet which MSDC could be required to accommodate from its neighbours, this would strongly suggest that the outcome of the Duty-to-Cooperate in Mid Sussex has been wholly ineffective. The emerging District Plan does not reflect the requirement of the NPPF to meet needs within the HMA given that across the Northern West Sussex HMA there would be further unmet need from Crawley (even with the contribution from Mid Sussex included in the Plan of 105 dpa). The Plan also does not reflect needs of neighbouring authorities, where Mid Sussex has an overlapping HMA, and suggests that, despite the significant amount of unmet needs that currently exist, that these will be addressed at a 'later date'.
- 4.14 It is considered that, based on the evidence to date, the appropriate HMA for Mid Sussex to test in terms of housing numbers incorporates the Northern

West Sussex HMA, the Coastal West Sussex HMA as well as its neighbouring authorities in other HMAs, with which it clearly has a relationship to some degree given geographical proximity.

## The June 2015 Position

- 4.15 In June 2015, Mid Sussex District Council (MSDC) published its District Plan Sustainability Appraisal (Pre-Submission Report). This summarised the Council's position on unmet needs from across the Housing Market Area (HMA). It identified, based on the OAN evidence and Plan progress at the time, a total unmet need of 37,733 dwellings over a 20 year period (2011-31) as shown in Table 4.1.

Table 4.1 Unmet Needs from the HMA - MSDC Position June 2015

	OAN (pa)	Supply (pa)	Unmet Need (pa)	Over 20 years
Adur	240	182	58	1,160
Brighton & Hove	1,200	660	540	10,800
Crawley	535	326	209	4,173
Horsham	560	650	-90	0
Lewes	490	280	210	4,200
South Downs National Park	0	0	0	0
Tandridge	454	125	329	6,580
Wealden	616	450	166	3,320
Worthing	600	225	375	7,500
<b>Total</b>	<b>4,695</b>	<b>2,898</b>	<b>1,797</b>	<b>37,733</b>

Source: Mid Sussex District Plan Sustainability Appraisal June 2015 (Table 12)

- 4.16 Since the publication of the Council's unmet needs assessment, there have been a number of changes in the status of Local Plans across the HMA. These are considered in further detail below (NLP has also looked at a number of additional Districts in Sussex to illustrate the extent of unmet needs across the wider region. All but two of these local authorities have adopted Local Plans as of July 2016).

## The Scale of Unmet Needs

### Unmet Needs from within the Northern West Sussex HMA

- 4.17 The Crawley Local Plan was adopted in December 2015. It made provision for 5,100 dwellings over the period 2015-30, equivalent to 340 dwellings per annum. OAN evidence shows housing needs in excess of 675 per annum. This means that unmet needs from Crawley amount to 335 dwellings per annum, or 6,700 over an indicative twenty year period.
- 4.18 The Horsham District Planning Framework was adopted in November 2015. Since the publication of Mid Sussex's housing needs analysis, the OAN for Horsham District has increased (from 560 to 650 dpa). However, the Horsham District Planning Framework also increased its level of planned supply. This now includes provision to meet all of the District's housing needs, as well as 150 dpa (around half) of that from Crawley (with the overall Plan target being

800 dpa). However this still means there is shortfall of 185 dwellings each year within the Northern West Sussex HMA required just to meet Crawley's housing needs.

Table 4.2 Analysis of Unmet Housing Needs from Northern West Sussex HMA

	Objectively Assessed Need (pa)	Housing Supply (pa)	Unmet Need (pa)	Total Unmet Need (20 years)
<b>Crawley</b>	675	340	335	6,700
	Objectively Assessed Needs Update March 2015	Crawley Local Plan (Adopted December 2015)	~	~
<b>Horsham</b>	650	800	~	~
	Horsham District Planning Framework Inspector's Report (Oct 2015)	Horsham District Planning Framework (Adopted Nov 2015)	~	~
<b>Total</b>			<b>185</b>	<b>3,840</b>

## Unmet Needs from the Coastal West Sussex HMA

- 4.19 Since the publication of Mid Sussex's assessment of unmet needs, Brighton and Hove's objectively assessed housing need has increased; from 1,200 to 1,506 per annum. Furthermore, the City Plan has been adopted, confirming the City's level of unmet need. As a result, the level of unmet housing need in Brighton and Hove is 846 per annum, or 16,920 over a twenty year period.
- 4.20 The Chichester Local Plan was adopted in May 2015. It included a housing target of 435 per annum, and did not meet full OAN on the basis of transport and infrastructure constraints. On this basis, there would be 1,900-4,300 dwellings of unmet need over a twenty year period.
- 4.21 The Lewes Local Plan Part 1 was adopted in May 2016 and set a housing target for 6,900 dwellings between 2010 and 2030, or 345 dwellings per annum. The latest evidence for Lewes shows OAN of 490 per annum, resulting in a shortfall of 145 dpa against the adopted target. Over 20 years this equates to unmet need of 2,900 dwellings.
- 4.22 The Worthing Core Strategy was adopted in April 2011 with a target of 4,000 dwellings 2006-26 (200 dpa). The most recent evidence (SHMA, 2014) shows that OAN for the Borough is more than double this at 550 dpa, resulting in unmet needs of 350 dpa, or 7,000 over a 20 year period.



Table 4.3 Analysis of Unmet Housing Needs from the Coastal West Sussex HMA

	Objectively Assessed Need (pa)	Housing Supply (pa)	Unmet Need (pa)	Total Unmet Need (20 years)
<b>Brighton &amp; Hove</b>	1,506	660	846	16,920
	Objectively Assessed Need June 2015	City Plan Part One (Adopted 2016)	~	~
<b>Chichester</b>	530-650	435	95-215	1,900-4,300
	Objectively Assessed Needs Study June 2014	Chichester Local Plan (Adopted May 2015)	~	~
<b>Lewes</b>	490	345	145	2,900
	Sussex Coast Assessment of Need (April 2014) (Mid-point)	Lewes Local Plan Part 1 Core Strategy (Adopted May 2016)	~	~
<b>Worthing</b>	200	550	350	7,000
	Worthing Core Strategy	Sussex Coast Assessment of Need (April 2014)	~	~
<b>Total</b>			<b>1,496</b>	<b>29,920</b>

### Adur and Arun

- 4.23 Evidence on housing needs in Adur published in 2015 indicate the level of need in the District has increased (compared to the figure in Mid Sussex's analysis). This means, based on the ability of the District to deliver 180 dpa (as set out in the 2016 Local Plan amendments), there could be unmet housing need of 111 pa, of 2,220 over a twenty year period. However, as the Local Plan is yet to be submitted or examined, Adur is excluded from the analysis.
- 4.24 The Arun Local Plan Examination was suspended in 2015 due to issues raised by the Inspector on objectively assessed housing needs. Further evidence produced since the Plan was suspended indicates the District's OAN is 758 pa, compared to 550-650 dpa concluded in the Publication Version of the Local Plan (the Plan subsequently set a 'target' for 580 homes per year).
- 4.25 It is unknown what the exact housing supply capacity of the District is, however the Council are considering housing options ranging from 650 to 1,000 dpa. As such, it is considered likely that it will be able to meet its housing needs and therefore excluded from this analysis.

## Unmet Needs from elsewhere in Sussex

### Wealden and Eastbourne

- 4.26 The Wealden Core Strategy was adopted in November 2012 and sets a housing target of 450 dwellings per annum over the period 2006-27. It is expected that a review of the Core Strategy will be completed by winter 2018. The Wealden SHMA (2015) identifies OAN for Wealden to be in the range 660

and 735 dpa (or 698 as a mid-point). On this basis, unmet need from the District currently stands at 248 dpa, or 4,960 over twenty years.

- 4.27 There is no up-to-date assessment of housing need in Eastbourne which is line with the NPPF or PPG. The Core Strategy was adopted in 2013 with a target of 5,022 for the period 2006-27, or 239 per annum. A review of the Core Strategy (which will also include the production of new housing evidence) is expected to commence in 2016, however for the purposes of this assessment a proxy for housing need has been used, based on the latest household projections (for the twenty year period 2014-34) and a vacancy rate (this is not a substitute for a full assessment of need given there are other factors which may place upward pressure on this figure).

### Hastings and Rother

- 4.28 The Hastings Local Plan was adopted in February 2014 and makes provision for 3,400 dwellings over the 2011-2028 plan period, equivalent to 200 per annum. The latest OAN evidence shows a need for 404 dwellings per annum, meaning there is a shortfall of 204 dwellings per annum. Over a twenty year period, this totals unmet need of 4,080 dwellings.
- 4.29 The Rother Core Strategy was adopted in September 2014 and set a housing target of 5,700 dwellings over the period 2011-28, or 335 per annum. Based on the latest evidence on housing needs, there is a total unmet need of 560 dwellings over a twenty year period.
- 4.30 A summary of the level of unmet needs arising from the rest of Sussex is shown in Table 4.4.

Table 4.4 Analysis of Unmet Housing Needs from the rest of Sussex

	Objectively Assessed Need (pa)	Housing Supply (pa)	Unmet Need (pa)	Total Unmet Need (20 years)
<b>Eastbourne</b>	<b>537</b>	<b>239</b>	<b>298</b>	<b>5,960</b>
	Proxy based on 2014-based Household Projections	Core Strategy (2013)	~	~
<b>Hastings</b>	<b>404</b>	<b>200</b>	<b>204</b>	<b>4,080</b>
	Hastings and Rother SHMA Update (2013)	Local Plan (Feb 2014)	~	~
<b>Rother</b>	<b>363</b>	<b>335</b>	<b>28</b>	<b>560</b>
	Hastings and Rother SHMA Update (2013)	Core Strategy (Sep 2014)	~	~
<b>Wealden</b>	<b>698</b>	<b>450</b>	<b>248</b>	<b>4,960</b>
	Mid-Point based on SHMA (Dec 2015)	Core Strategy (Feb 2013)	~	~
<b>Total</b>			<b>778</b>	<b>15,560</b>

## Summary

4.31

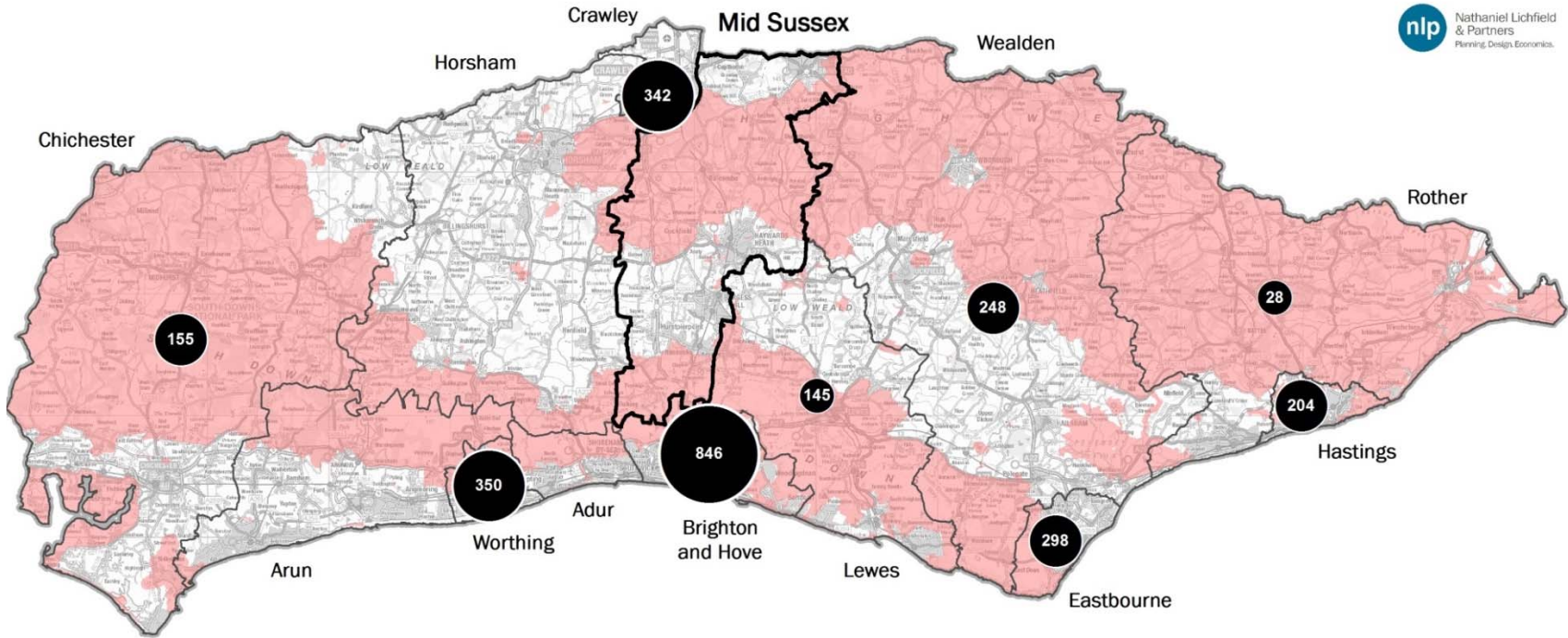
At present, of the unmet need identified across the wider Sussex Region, the only element which is currently being planned for is 150 dpa from Crawley which is being accommodated in Horsham. This still leaves a further;

- **185** dpa required to meet the rest of Crawley's needs (i.e. from within the Northern West Sussex HMA);
- A further **1,496** dpa unmet housing needs from the Coastal West Sussex HMA, which includes 846 dpa from Brighton and Hove and 145 dpa from Lewes; and
- A further **778** dwellings per annum of unmet need from the rest of Sussex, including 248 dpa from Wealden (which shares a border with Mid Sussex).

4.32

The likely unmet need for which Mid Sussex should be positively planning towards, insofar as it can, would involve at least addressing: the 185 dpa remaining unmet need from Crawley (which is firmly within the HMA); the unmet need from Lewes (145 dpa) which has no alternative adjoining authorities with capacity to accommodate development; and a proportion (say half as a rule of thumb) of Brighton and Hove's unmet need (846 dpa). This would imply a housing figure for Mid Sussex, consistent with meeting full OAN across the Housing Market Area, would be in the region of c.760dpa added on top of its own District HMA. It is clear that there are significant needs to be addressed and Mid Sussex will need to do everything it can to support the delivery of housing to meet the needs that exist within the housing markets which the District operates.

Figure 4.1 Unmet Housing Need (per annum) across Sussex



Local Authority  
Boundary



NPPF Footnote 9  
Constraint

Unmet Housing Need (dwellings per annum):

<150



150 - 300



301 - 450



>450



Source: NLP Analysis

For Eastbourne, an estimate of dwelling need has been based on the 2014-based household projections as there is no up-to-date evidence on housing needs.

Where OAN is identified as a range, a mid-point has been chosen



5.0

## Findings of the Local Plan Expert Group

5.1

In September 2015 the Local Plan Expert Group (LPEG) was established by the then-Secretary of State for Communities and Local Government to consider how plan-making can be made more efficient and effective. The LPEGs final report highlighted that agreeing housing needs was often a costly and time-consuming part of the plan-making process, and therefore put forward a standard methodology to assess housing needs across housing market areas. This approach is summarised as follows;

- 1 For the housing market area, compared the latest official population projections with a scenario which uses a ten year migration trend. Whichever is higher for the HMA overall is the starting point **(A)**;
- 2 The most recent DCLG Household projections should form the basis for turning the population projection in households. Headship rates for 25-44 year olds should be adjusted such the rates return half-way to the 2008-based rates **(B)**;
- 3 Adjust **(B)** in line with market signals. These market signals are;
  - i Rental Affordability – lower quartile 1-bed rents as a percent of lower quartile income; and
  - ii Housing Affordability – median house prices to median earnings.Based on the degree of market signals pressure, uplift of between 0% and 25% should be applied as necessary **(C)**;
- 4 An assessment of affordable housing needs should be made in line with existing Guidance. If, at the likely level of delivery, full affordable housing needs would not be met through **(C)**, increase further by 10% of **(B)** (or less if this would result in needs being met).

5.2

In order to consider the potential outcomes for Mid Sussex, NLP has made an initial assessment of the above methodology for the District (taking into account the HMA, as relevant). This is shown in Table 5.1. It is also possible that the approach would have implications in other parts of the HMA, changing (and likely increasing) the OAN and the amount of unmet need which needs to be planned for.

5.3

For the Northern West Sussex HMA, the 2014-based SNPP (i.e. the latest official projections) represents the higher projection over the period to 2031 than using a ten year trend. This gives a need for 729<sup>15</sup> dpa in Mid Sussex and 1,940 dpa across the HMA overall. Adjusting for 25-44 headship rates shows a need for 757 dpa in Mid Sussex and 1,993 across the HMA overall.

5.4

Analysis of the two market signals for the areas shows that Mid Sussex and Horsham have high affordability ratios and all three areas have rental affordability ratios of c.40%+. This would place all three areas in the '25%'

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<sup>15</sup> Figure differs to analysis in Section 3.0 given the different way the LPEG methodology takes account of second home/vacancy rates.

uplift bracket, and give a figure of 946 dpa for Mid Sussex and 2,491 for the HMA overall.

5.5

Within Mid Sussex, the extent to which this figure needs to be further adjusted to take into account affordable housing needs depends in the likely rate of future delivery of affordable housing. As shown in Section 3.0, if future rates of affordable housing delivery were to continue (i.e. 26%), then up to 1,465 dpa would be needed to meet affordable housing needs. In line with the LPEG methodology, this would justify a further 10% uplift of (B) on top of (C), which would result in a figure of 1,022 dpa. However if affordable housing delivery were to be higher, there would be a need for less uplift (if delivery were up to 40% and there were a need for a total 950 dpa to meet affordable housing needs, then 950 dpa would become the final OAN).

Table 5.1 Estimate of Housing Need across Northern West Sussex HMA using proposed LPEG Methodology

		Calculation Steps	
(A) Demographic-led Needs	Mid Sussex	729	
	Crawley	593	
	Horsham	617	
	<b>HMA</b>	<b>1,940</b>	
(B) Adjustment for 25-44 Headship Rates	Mid Sussex	757	
	Crawley	600	
	Horsham	636	
	HMA	1,993	
(c) Market Signals		<b>Affordability</b>	<b>Rents</b>
	Mid Sussex	10.7	39.7%
	Crawley	7.2	40.6%
	Horsham	11.7	41.3%

Source: NLP Analysis using POPGROUP/DCLG Live Table 576/ASHE/VOA Rental Market Statistics

5.6

It is likely that in the case of Mid Sussex, the adoption of the proposed LPEG methodology would not result in an OAN figure which is too dissimilar to that concluded by NLP under the existing guidance. Depending on the level of affordable housing uplift applied, the OAN for Mid Sussex would still be broadly around 1,000 dpa. For the other parts of the HMA, the LPEG methodology would produce a figure higher than the OAN in those areas which could have implications for unmet need across the HMA.



6.0

## Conclusions

### Mid Sussex District Council – Plan progress to date

- 6.1 Table 6.1 shows how MSDC's evidence on housing needs, sustainability and the emerging Plan requirement changed between February and November 2015. This shows there have been clear inconsistencies in the Council's approach to assessing needs, approach to assessing sustainability and approach to unmet housing needs. This raises serious questions as to whether the Council has a "*clear understanding of housing needs in their area*" as per NPPF para 159.
- 6.2 The Council's approach to assessing its OAN has changed, and between February and June this appears to be in light of an increase in the household projections (i.e. the starting point). The Council had initially adopted a PPG compliant approach of applying a market signals uplift to the identified demographic-led needs to arrive at an OAN of 627 dpa, however this approach changed in the June 2015 HEDNA which concluded no market signals uplift was necessary citing that, in any case, there was no capacity to uplift the housing number further (due to land supply and sustainability constraints). This resulted in an assessment of need of 656 dpa, which was based solely on the DCLG household projections. This approach was not compliant with the PPG given it applied constraints to the assessment of need, and this version of the HEDNA has since been removed from MSDC's evidence base.
- 6.3 The November 2015 HEDNA adopted another approach, making an adjustment to household formation (equivalent to an uplift of 24 dpa) to account for market signals. This is not compliant with the PPG and would do little to address affordability issues in the District. As set out in Section 2.0, NLP also note that there are a number of other elements in this HEDNA which mean it does not comply with the PPG and under-estimates the true level of housing need meaning that even 695 dpa does not represent full OAN. The Addendum to this HEDNA adopted a higher starting point using the 2014-based projections, however the same approach (as in the HEDNA Update) to all other factors, meaning that is similarly underestimate the true OAN for Mid Sussex District.





Table 6.1 Evolution of Emerging OAN and Plan Requirement

Document	Housing Number	Key Points and Conclusions
HEDNA February 2015 (EP20)	<b>627 dpa</b>	Concluded OAN: Used 2012-based Population Projections and applied 'blend of 2008-based and 2011-based household projections (570 households pa – no account taken of dwelling vacancy) Applied uplift of 10% for market signals No further uplift for jobs or affordable housing needs
HEDNA June 2015 <small>Removed from MSDC Website</small>	<b>656 dpa</b>	Concluded OAN: Used 2012-based Population and Household Projections (growth of 656 households pa) No uplift for market signals, citing land supply and sustainability. No further uplift for jobs or affordable housing needs
Pre-Submission Draft Plan June 2015 (BP2)	<b>650 dpa</b>	There is capacity for 11,700 homes, however it would not be sustainable to deliver all sites and therefore the maximum provision is 11,050 dwellings (plan requirement of 650 dpa). Mid Sussex is <u>not</u> able to contribute to meeting neighbouring authorities unmet housing needs.
HEDNA November 2015 (EP21)	<b>695 dpa</b>	Concluded OAN: Used 2012-based Population and Household Projections, applying dwelling vacancy rate to get starting point of 671 dpa Applied 24 dpa uplift to increase household formation in younger age groups (this is termed the 'market signals uplift') No further uplift for jobs or affordable housing needs
Focused Amendments (November 2015) (BP3)	<b>800 dpa</b>	There is capacity to deliver 12,400 dwellings, and work will commence on a site allocations document in 2019 to identify remaining sites for the plan period to deliver a total of 13,600 to 2031 (800 dpa). This will contribute 105 dwellings per year being 'principally directed' to <u>Crawley</u> .
HEDNA Addendum August 2016 (EP22)	<b>754 dpa</b>	Concluded OAN: Used 2014-based Population and Household Projections, applying dwelling vacancy rate to get starting point of 730 dpa Applied 24 dpa uplift to increase household formation in younger age groups (this is termed the 'market signals uplift') No further uplift for jobs or affordable housing needs
Further Modifications (August 2016) (BP4, BP1)	<b>800 dpa</b>	The District Plan requirement will remain at 800 dpa, which will meet the identified OAN of 754 dpa, and contribute 46 dpa to meeting unmet needs from neighbouring authorities with this need 'most likely to be absorbed by those authorities which have the strongest links' with Mid Sussex.

Source: NLP Analysis

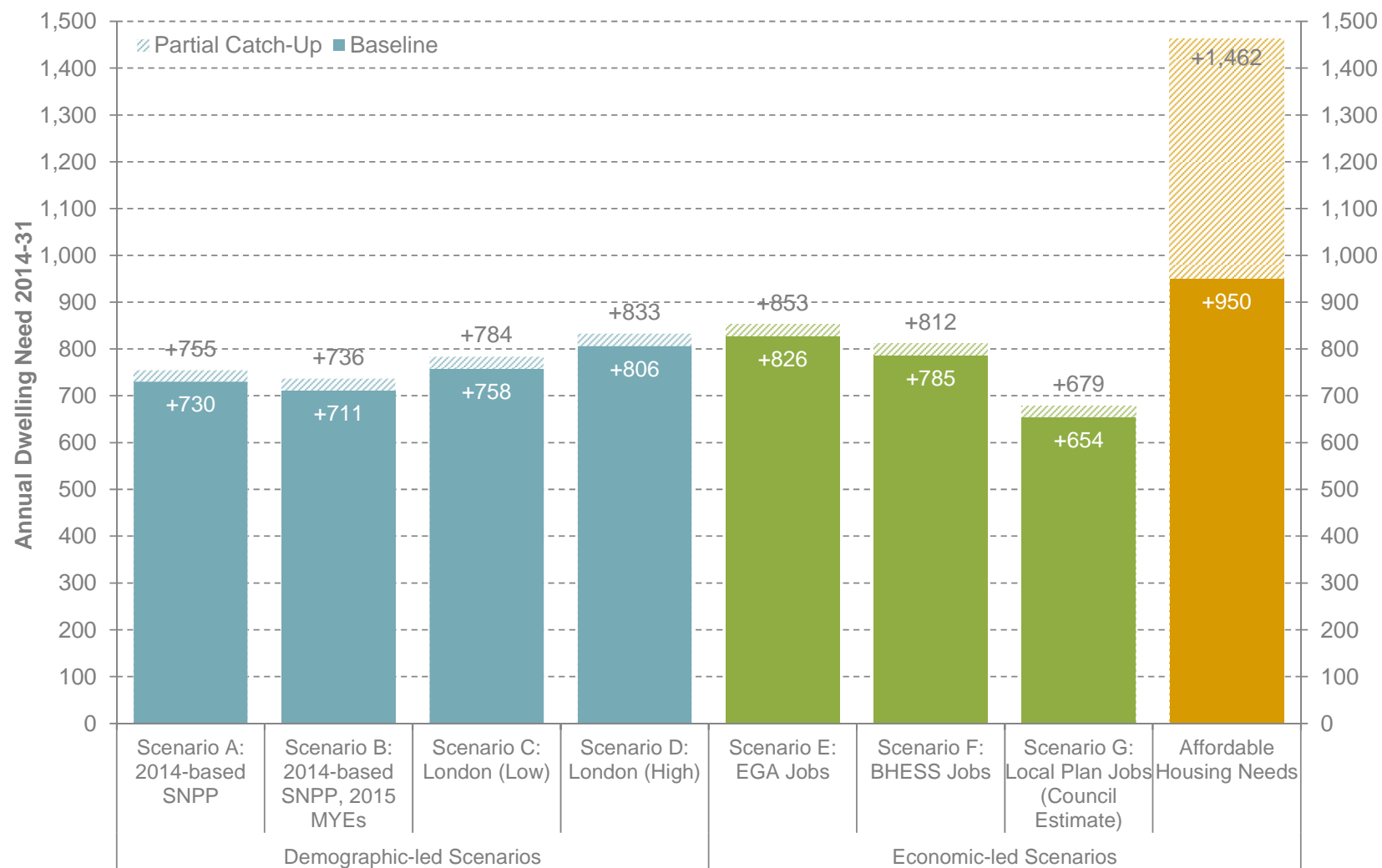


## Objectively Assessed Housing Need

- 6.4 The NPPF sets out that an objective assessment of housing need and demand must be one that meets household and population projections, taking account of migration and demographic change (the demographic-led scenarios), meets need for all types of housing including affordable (the SHMA based affordable housing need housing-led scenario) and must cater for housing demand and the scale of housing supply necessary to meet this demand (demographic-led, economic-led and housing-led demand, including that indicated through market signals, such as house prices).
- 6.5 Figure 6.1 summarises the demographic, economic and affordable housing needs scenarios assessed by NLP. This analysis identifies that **full, objectively assessed housing need in Mid Sussex over the period 2014 to 2031 is 1,000 dwellings per annum**. How this figure has been concluded upon in accordance with the requirements of the NPPF and PPG is set out as follows.



Figure 6.1 Summary of Outputs- Dwellings per annum 2014-31



Source: NLP Analysis



## The Starting Point and Demographic-led Needs

- 6.6 The latest 2014-based DCLG Household Projections project household growth of 714 per annum in Mid Sussex over the plan period 2014-31. Taking into account second home/vacancy rates, this translates to a need for 730 dwellings per annum.
- 6.7 In line with the PPG, it is necessary to consider whether there is demographic evidence which suggests adjustments should be made to the official projections. In Mid Sussex, it is considered that two adjustments should be made; firstly to address continued suppression in household formation and secondly to take account of additional population growth arising from London.
- 6.8 The GLA's latest supply-led population projections show that London cannot accommodate as many people as projected in ONS' official trend-based projections. Therefore there will be additional population growth in areas around London and across the South East, through a combination of less migration to London and more migration out of London. If areas do not account for this additional growth, there will be a significant amount of population growth which goes unaccounted for and unmet housing need. Based on the two variant projections produced by GLA (and the varying impact London may have on the rest of the South East) analysis shows that this would result in growth of an additional 2,000-5,000 people in Mid Sussex over the plan period, resulting in a need for 758 to 806 dwellings per annum.
- 6.9 The 2014-based household projections continue to include an element of suppression in future household formation, particularly amongst young adults. In order to address this, a sensitivity has been applied which allows for formation rates to return half-way to the 2008-based projections, allowing for some improvement in housing outcomes for this age group. Applying this to the projected population growth expected based on the two London scenarios shows a need for between **784 and 833 dwellings per annum**. This is considered to represent the demographic-led needs of Mid Sussex, upon which any other uplifts should be considered.

## Do Market Signals indicate the need for an upward adjustment to purely demographic-led needs?

- 6.10 Average house prices in Mid Sussex are £325,000 as of 2015, and entry level house prices are 12.6 times local wages. Monthly rents are £925, which is amongst the most expensive outside London, meaning that those unable to buy are also facing particularly unaffordable rents. The District also performs poorly amongst its neighbouring areas in terms of concealed families, which are likely to be a knock-on effect of poor affordability in the District.
- 6.11 Taking into account other areas where Inspectors have accepted market signals uplifts of 10-20%, it is considered that an uplift for market signals in Mid Sussex should amount to at least 20%, on the basis that the Canterbury Local Plan Inspector accepted uplift for 20% in the District and the headline



indicators for house prices show Mid Sussex performs generally worse than Canterbury. Applying a 25% uplift to the demographic led needs would result in a figure of **980 to 1,041 dwellings per annum**.

### Is there a need to increase housing supply to help meet the economic potential of the District?

- 6.12 Past trends do not represent a suitable or positive basis for planning for future housing needs in Mid Sussex given the fluctuation in the number of jobs in recent years. The Council has produced a number of economic studies, each taking into account the respective economic forecasts from Experian. The EGA (2014) stated that Experian forecasts showed growth of 521 jobs per annum in Mid Sussex over the period 2011-31, which (taking account of growth seen up to 2014) would result in a need for 826 to 853 dwellings per annum over the plan period (using either baseline or partial catch-up headship rates).
- 6.13 The BHESS (March 2015) stated that forecast growth was 478 per annum based on more up-to-date Experian forecasts than the EGA. On this basis, the need for housing over the plan period would be in the range 785 to 812 dwellings per annum. NLP does not consider that the job growth set out in the HEDNA (based on the employment land supply in the emerging Plan) is a suitable and PPG compliant basis for considering future jobs-led housing needs.
- 6.14 In light of the market signals uplift which has already been applied to the demographic-led needs, it is considered that no further uplift should be applied to support economic growth in the District.

### Is there a need to increase housing supply to aid the delivery of affordable housing supply?

- 6.15 NLP has made an assessment of affordable housing needs using the Council's figures, albeit has corrected and updated the projection of future household formation and removed committed supply. On this basis, there is a need for 380 affordable dwellings per annum in Mid Sussex. In the past the Council have only achieved 26% affordable housing. If the Council continued delivering affordable housing at a rate of 26%, a total of 1,462 dwellings per annum would be needed to meet the full affordable housing needs. If affordable housing delivery increased to the likely level in the forthcoming plan (now considered to be 30% as per MSDC1), then a total of 1,267 dwellings per annum would be needed. These scenarios are in excess of all of the demographic and economic-led scenarios, including taking account of market signals uplift. In line with the King's Lynn, the affordable housing needs should have a strong influence on the final OAN figure and as such this provides further justification for adopting an OAN in the range of 980 to 1,041 dwellings per annum as concluded through the market signals uplift.
- 6.16 Taking into account all necessary factors, is it therefore concluded that **1,000 dwellings per annum represents full OAN for Mid Sussex District**, taking

into account future population and household growth, market signals, economic-led needs and affordable housing. In line with the PPG, which states scenarios should be those which could be 'reasonably be expected' to occur, this is considered a reasonable and realistic scenario for Mid Sussex given that in the year 2015/16 a total of 868 dwellings were completed in the District; this was without having any Plan in place to manage the supply of housing.

## Unmet Housing Needs

- 6.17 Mid Sussex forms a Housing Market Area with Crawley and Horsham; the North West Sussex HMA. Crawley is unable to meet its housing need, with an identified annual shortfall of 335 dwellings per annum. Horsham District is currently planning for 150 dwellings per annum of this need above its own OAN, meaning there is a further 185 dwellings per annum in unmet needs from Crawley which is unaccounted for. This level of unmet need will place pressure on Mid Sussex to provide more homes, particular in locations which will best serve the needs of Crawley.
- 6.18 In addition to Crawley, Mid Sussex also has links with the Coastal West Sussex HMA, and Sussex as whole has a clear and significant issue with unmet housing needs. Large parts of the county are constrained either by the South Downs National Park or the High Weald AONB, and in recent years most areas have adopted Local Plans which do not provide for their full OAN for housing. NLP has identified that from these areas, there is;
- A further **1,496** dpa unmet housing needs from the Coastal West Sussex HMA, which includes 846 dpa from Brighton and Hove; and
  - A further **778** dwellings per annum of unmet need from the rest of Sussex, including 248 dpa from Wealden (which shares a border with Mid Sussex).
- 6.19 Addressing the unmet needs of Crawley (185 dpa), Lewes (145 dpa) and part of Brighton and Hove (423 dpa being half) would imply a housing figure for Mid Sussex, consistent with meeting full OAN across the Housing Market Area, would be in the region of c.760dpa added on top of its own District HMA. It is clear that there are significant needs to be addressed and Mid Sussex will need to do everything it can to support the delivery of housing to meet the needs that exist within the housing markets which the District operates.



## Appendix 1    Market Signals Data



	House Prices			Affordability			Rents		
	Median (2015)	%Change (2000-2015)	Absolute Change (2000-2015)	Ratio (2015)	%Change (2000-2015)	Absolute Change (2000-2015)	Median (Q1 2016)	%Change (Q2 2011-Q1 2016)	Absolute Change (Q2 2011-Q1 2016)
Mid Sussex	£325,000	154%	£197,000	12.59	82%	5.68	£925	16%	£130
England	£212,000	159%	£130,000	7.02	80%	3.11	£650	14%	£80
Crawley	£249,995	155%	£151,995	9.13	92%	4.38	£925	23%	£175
Horsham	£345,000	152%	£208,000	14.10	101%	7.07	£925	16%	£130
Tandridge	£380,000	153%	£230,000	14.46	88%	6.77	£1,150	31%	£275
Mole Valley	£450,000	150%	£270,000	13.40	69%	5.47	£1,150	28%	£255
Reigate and Banstead	£355,000	145%	£210,000	10.48	73%	4.42	£1,000	25%	£200
Guildford	£379,950	144%	£223,950	11.49	51%	3.89	£1,150	16%	£155
Sevenoaks	£350,000	145%	£207,000	13.44	100%	6.71	£1,150	21%	£200
Tunbridge Wells	£314,500	156%	£191,500	11.31	80%	5.01	£875	17%	£130
Waverley	£400,000	144%	£236,000	13.86	69%	5.67	£1,095	17%	£160
Tonbridge and Malling	£295,000	137%	£170,500	12.29	120%	6.71	£930	28%	£205
Source:	ONS HPSSA	ONS HPSSA	ONS HPSSA	CLG Live Table 576 (2016 Update)	CLG Live Table 576 (2016 Update)	CLG Live Table 576 (2016 Update)	VOA Private Rental Market Statistics	VOA Private Rental Market Statistics	VOA Private Rental Market Statistics









	Overcrowded Households			Concealed Families			Households in Priority Need			Households in Temporary Accommodation		
	% 2011	Change (%) (2001-2011)	Change (pp.) (2001-2011)	% 2011	Change (%) (2001-2011)	Change (pp.) (2001-2011)	per 1,000 Households (2014/15)	%Change (2004/05-2014/15)	Absolute Change (2004/05-2014/15)	per 1,000 Households (2014/15)	%Change (2004/05-2014/15)	Absolute Change (2004/05-2014/15)
Mid Sussex	5.6%	43.8%	1.69	1.2%	81.4%	0.56	0.64	-61.2%	-1.01	0.51	-46.5%	-0.44
England	8.7%	22.7%	1.61	1.9%	59.2%	0.69	2.40	-58.2%	-3.33	2.85	-40.5%	-1.94
Crawley	9.8%	29.5%	2.24	2.5%	100.6%	1.27	4.49	-24.6%	-1.46	4.62	-61.5%	-7.38
Horsham	5.3%	23.4%	1.01	1.2%	69.8%	0.48	1.64	-34.3%	-0.86	1.06	-42.0%	-0.77
Tandridge	5.5%	17.4%	0.82	1.2%	39.5%	0.35	0.61	-65.9%	-1.17	0.72	-63.2%	-1.24
Mole Valley	6.7%	23.3%	1.26	1.2%	26.2%	0.26	0.71	-39.9%	-0.47	1.06	56.8%	0.38
Reigate and Banstead	6.6%	20.9%	1.15	1.3%	33.2%	0.32	2.39	-38.4%	-1.49	2.34	-34.6%	-1.24
Guildford	7.2%	15.3%	0.95	1.2%	28.3%	0.27	0.52	-40.1%	-0.35	0.61	-70.3%	-1.44
Sevenoaks	4.6%	22.2%	0.83	1.2%	48.1%	0.40	0.60	-67.3%	-1.23	0.74	~	~
Tunbridge Wells	8.6%	34.4%	2.20	1.1%	51.8%	0.39	0.88	-82.1%	-4.03	0.86	-34.8%	-0.46
Waverley	4.7%	3.7%	0.17	1.1%	27.1%	0.23	0.00	-100.0%	-1.56	0.10	-94.0%	-1.57
Tonbridge and Malling	4.8%	37.0%	1.30	1.2%	37.4%	0.33	1.50	-61.8%	-2.43	0.50	-74.1%	-1.43
Source:	Census 2011	Census 2001, Census 2011	Census 2001, Census 2011	Census 2011	Census 2001, Census 2011	Census 2001, Census 2011	CLG Live Table 784 (PIe Returns)	CLG Live Table 784 (PIe Returns)	CLG Live Table 784 (PIe Returns)	CLG Live Table 784 (PIe Returns)	CLG Live Table 784 (PIe Returns)	CLG Live Table 784 (PIe Returns)







## Appendix 2 Model Inputs and Assumptions



Component	Scenario A: SNPP Baseline	Scenario B: SNPP with MYEs	Scenarios C and D: London Migration	Scenarios E -G: Jobs-led Migration
Population				
Baseline Population	A 2014 Population based is taken from the ONS 2014-based SNPP.	A 2015 Population based is taken from the ONS 2015 Mid-Year Estimates for Mid Sussex. This population is split by single year of age and gender. The population is constrained in and 2015 according to the MYEs.		
Births	The total number of births in the 2014-based SNPP is applied.	The total number of births in 2014/15 is taken from the MYEs. For 2015/16 onwards, the Total Fertility Rate (TFR) projected in the 2014-based SNPP is applied.		
Deaths	The total number of deaths in the 2014-based SNPP is applied.	The total number of deaths in 2014/15 is taken from the MYEs. For 2015/16 onwards, the Standardised Mortality Ratio (SMR) projected in the 2014-based SNPP is applied.		
Internal Migration	The gross migration flows are projected in the 2014-based SNPP area applied.	The gross migration flows for 2014/15 are taken from the MYEs. For 2015/16 onwards, flows projected in the 2014-based SNPP area applied.	Migration is inflated to align with the additional population growth expected from London (based on 0.46% the 'gap' between the GLA and ONS Projections).	Migration is constrained/inflated in order to align with the job growth forecast in each scenario.
International Migration	As above but for international flows.		The gross migration flows for 2014/15 are taken from the MYEs. For 2015/16 onwards, flows projected in the 2014-based SNPP area applied.	As above but for international flows.
Propensity to Migrate	The age profiles of migration for both in and out domestic and international migration are based upon the age profile of migrants to and from Mid Sussex in the 2014-based SNPP. This then drives the demographic profile of those people moving into and out of Mid Sussex (but not the total numbers of migrants).			
Housing				
Headship Rates <b>Baseline</b>	Headship rates (the proportion of people in a given age group who will form a head of household) are taken from the CLG 2014-based Household Projections Mid Sussex. These are split by five year age group.			
Headship Rates: <b>Partial Catch-Up</b>	The Baseline headship rates are adjusted such that by 2033, half of the difference between the 2008-based household projections and the 2014-based household projections is 'caught-up' in the 15-34 age groups.			



Component	Scenario A: SNPP Baseline	Scenario B: SNPP with MYEs	Scenarios C and D: London Migration	Scenarios E -G: Jobs-led
Population Not in Households	The population not in households (i.e. in institutional accommodation) is taken from the CLG 2014-based household projections. These are used as absolute numbers up to age 74, and above this age the numbers are converted into a percent which is applied to the population. This allows for changes in the elderly population in institutional care where there is a change in the population over age 75. No change is assumed from the levels identified by CLG.			
Vacancy / 2 <sup>nd</sup> Home Rate	A vacancy and second homes rate is applied to the number of households, representing the natural vacancies/not permanently occupied homes which occur within the housing market and mean that more dwellings than households are required to meet needs.			
Economic				
Economic Activity Rate	Age and gender specific economic activity rates are used. These are based on the 2011 Census economic activity rates for Mid Sussex, which have been adjusted at 2014 and 2015 in line with the Annual Population Survey (using the ONS Mid-Year Estimates). Rates have been projected forward in line with the Office for Budget Responsibility Labour Market Participation Rate Projections (November 2015).			
Labour Force Ratio	The Force ratio is worked out using the formula: (A) Number of employed workers living in area ÷ (B) Number of workers who work in the area (number of jobs). This is calculated for 2014 and 2015 using APS data on the number of employed people and the total number of jobs as from Experian. These give labour force ratios of 1.15 and 1.13 respectively. The 2015 figure is held constant over the remainder of the modelling period.			
Unemployment	The unemployment rate is taken from the ONS Annual Population Survey model-based estimate of economically active people not in employment. In Mid Sussex, the rates for 2014 (2.9%) and 2015 (2.6%) are used, and it is assumed that by 2020, the unemployment rate will have returned to its longer term average (2.98%) and then remain constant.			







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& Partners

Planning. Design. Economics.

**Mid Sussex District Plan**

**Mid Sussex Development Capacity  
Study**

Wates Developments

November 2016

15322/MS/MT

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## 1.0 Introduction

- 1.1 This report has been prepared by Nathaniel Lichfield & Partners (“NLP”) on behalf of Wates Developments (“Wates”). It provides a review of Mid Sussex District Councils (“the Council”) position on the development capacity of the District, in the context of Wates’ interests within Mid Sussex.
- 1.2 In this report the development capacity of Mid Sussex District relates to the environmental, social and economic ability to accommodate new housing in the district with reference to paragraph 14 of the NPPF, where adverse impacts would significantly and demonstrably outweigh the benefits. The Council refer to development capacity in the context of a ‘tipping point’ which is defined by the Council as the point at which a series of small effects becomes significant enough to start to cause a larger, more important changes in the overall sustainability balance, beyond which the delivery of more housing would tip the balance with negative impacts outweigh the benefits. In this report NLP considers whether the development capacity or ‘tipping point’ identified by the Council is justified and evidenced as a maximum quantum of housing delivery that the District can accommodate as the Council purport.
- 1.3 This report is set out under the following headings;
- **Section 2** considers the policy requirements of the National Planning Policy Framework (NPPF) under which sufficient housing must be delivered across the Housing Market Area (HMA) unless any impacts of doing so would significantly and demonstrably outweigh the benefits. In this context the extent of the impact of NPPF policy constraints on Mid Sussex District are considered;
  - **Section 3** shows how the Councils concluded development capacity for Mid Sussex has changed significantly over time by producing a timeline of relevant evidence base studies which have concluded upon a range of different development capacity figures which undermine the robustness of the currently identified figure;
  - **Section 4** of the report reviews the Sustainability Appraisal (SA) (August 2016) submitted to the District Plan Inspector which informs the development cap figure of 800 dpa concluded upon by the Council. A review is undertaken of the robustness of this evidence in restricting the development of sufficient housing to meet housing needs in the HMA;
  - **Section 5** rebuts the argument put forward by the Council that the development capacity of the District accords with the capacity of the housing market in Mid Sussex to absorb a given quantum of new homes; and
  - **Section 6** provides a summary of how the development capacity for Mid Sussex has been evidenced and sets out whether this is justified before setting out how a proactive approach to site allocation through a less restrictive evidence base could increase this capacity.



2.0

## Context

2.1

This section of the report sets out the planning policy context for housing delivery and how this should be planned for in the production of Local Plans. Particularly this section focuses on the circumstances in which an identified development capacity of a local planning authority could justify not meeting housing needs.

## Policy Requirements

2.2

With regards to meeting housing needs, paragraph 47 of the NPPF requires that full objectively assessed housing needs (OAN) for market and affordable housing be met in the HMA, as far as is consistent with the policies set out in the NPPF.

2.3

Paragraph 14 of the NPPF sets out the need for Local Plans to meet OAN for housing unless the impacts of doing so would significantly and demonstrably outweigh the benefits, as set out below.

*“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.*

*For plan-making this means that:*

- *local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:*
  - *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
  - *specific policies in this Framework indicate development should be restricted.<sup>9</sup>”*

2.4

The following policies are listed in footnote 9 of the NPPF in direct response to the specific policies referenced in the final point paragraph 14:

- Sites protected under the Birds and Habitats Directives and/or designated as Sites of Special Scientific Interest (SSSI);
- Green Belt,
- Local Green Space,
- Area of Outstanding Natural Beauty (AONB),
- Heritage Coast;
- National Park (or the Broads Authority);
- Designated heritage assets; and
- Locations at risk of flooding or coastal erosion.

2.5

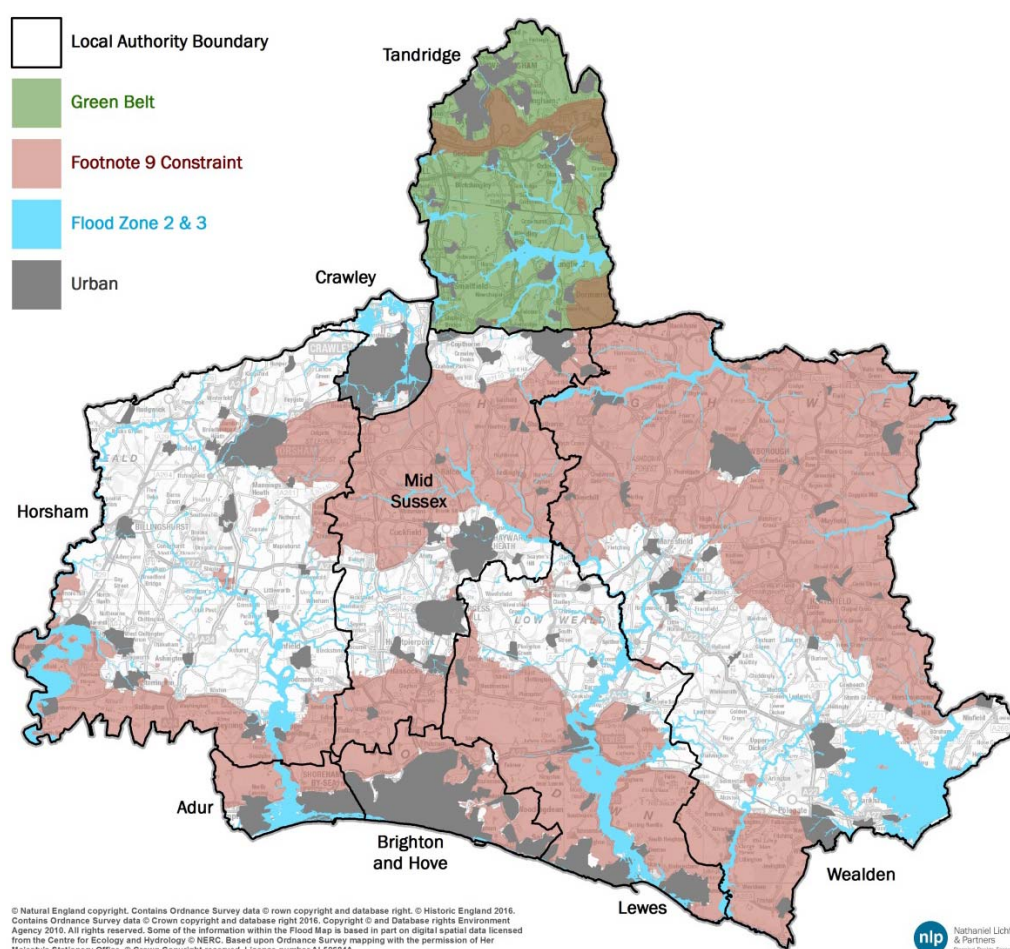
Therefore there are two justifiable reasons for a Local Plan to not plan to meet the identified housing needs of the HMA:

- 1 when the act of doing so would have such negative impacts that they would significantly and demonstrably outweigh the substantial benefit of meeting peoples housing needs; a 'tilted balancing' exercise; and/or
- 2 The presence of NPPF 'footnote 9 constraints' which mean, in the context of specific policies in the NPPF as a whole, that there is simply not sufficient suitable land upon which to deliver the housing needed.

2.6

Figure 2.1 below maps the NPPF footnote 9 constraints for Mid Sussex and its surrounding authorities, illustrating the scale of land which might be affected by the second part of the NPPF paragraph 14 test.

Figure 2.1 NPPF Footnote 9 constraints in Mid Sussex and the adjoining local authorities



Source: NLP Analysis

2.7

Figure 2.1 shows that although 62% of the District is covered by NPPF footnote 9 constraints (increasing to 71% if built up areas are added to those constrained areas) there is still 29% of the District which is unaffected by the constraints and falls outside of the existing built up areas. This is important in the context of concluding upon a development capacity because one reason the NPPF identifies that Local Plans may not be able to meet housing needs is

where NPPF footnote 9 constraints in that location indicate development should be restricted. However, it is clear that this cannot be the case in Mid Sussex because close to a third of the District is not subject to these constraints and is not within the built up area (i.e. may contain suitable strategic sites or broad locations for development). It is also worth noting that Footnote 9 constraints are not absolute: under the specific policies of the NPPF development can be acceptable in such locations, and indeed the Council has accepted this by allocating a number of sites in the AONB, not least the Pease Pottage site.

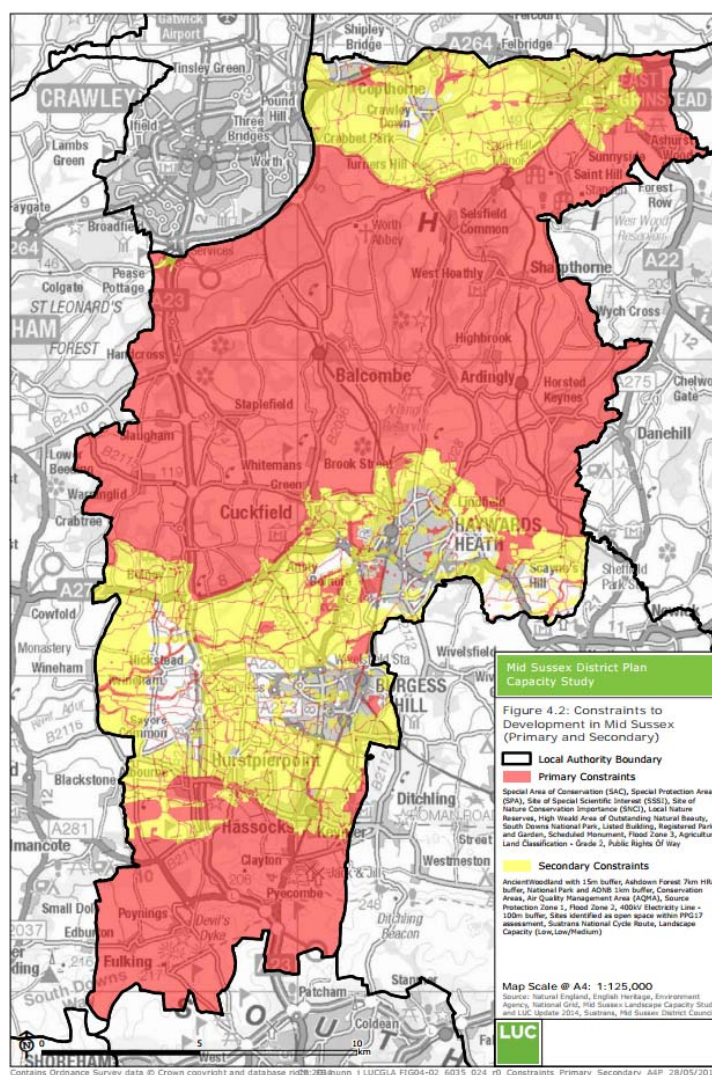
2.8 Therefore, as per paragraph 14 of the NPPF, the justification of a development cap in Mid Sussex, beyond which any adverse impacts would significantly and demonstrably outweigh the benefits of meeting housing need must result from undertaking a tilted balancing exercise; whereby the benefits of housing delivery are considered against any adverse impacts against the policies in the NPPF taken as a whole.

2.9 The Council has assessed the extent of NPPF footnote 9 constraints in the District (termed primary constraints), but has gone a step further in also assessing local constraints (termed secondary constraints) in the document 'Capacity of Mid Sussex District to accommodate development' (June 2014). The extent of these secondary constraints (outside of areas covered by primary constraints) are indicated below in Figure 2.2, this shows that 7.94% of the District is not covered by primary or secondary constraints, excluding existing built up areas this reduces to 4.27%<sup>1</sup>.

---

<sup>1</sup> Capacity of Mid Sussex District to accommodate development' (June 2014), Table 4.2

Figure 2.2 Primary and Secondary Constraints to Development in Mid Sussex



Source: Capacity of Mid Sussex District to accommodate development (June 2014), Figure 4.2

- 2.10 However, this does not mean that only 4.27% of the District is potentially suitable for development. The 'secondary constraints' identified by the Council are afforded less weight in the NPPF than footnote 9 constraints. What is clear from the above analysis of secondary constraints, and even some primary constraints (Agricultural Land Grades 1 and 2 and Public Rights of Way), is that the NPPF does not rule out development in the context of these constraints, but states that mitigation, sequential testing or scheme specific incorporations may be required for development to proceed; they are not 'show-stopper' constraints to development on an individual site basis. This is why a tilted balancing exercise should be undertaken comparing the benefits of meeting housing need and its impact on these policies, whilst applying the weightings afforded to each by the NPPF.
- 2.11 The remainder of this report will consider whether the tilted balancing exercise has been applied in a justified manner in Mid Sussex, to reach the housing development capacity concluded by the Council.

## Development Capacity and Sustainability

3.0

3.1

Before considering the robustness of the concluded development capacity of Mid Sussex, this section sets out the findings of a number of SA's used by the Council which have all sought to justify varying 'tipping points' for development in the District using the same methodology. The review below reveals why little confidence that can be placed on the current concluded development capacity of the District.

### Local Plan Progress

3.2

In July 2013 the Council submitted the Mid Sussex District Plan to the Secretary of State. Following an exploratory meeting, the District Plan Inspector concluded that he was not satisfied the Council had met the Duty to Cooperate, particularly with regards to the issue of unmet need across the housing market area. The Plan was formally withdrawn by the Council in May 2014.

3.3

In June 2015, the Council published a new District Plan. Following consultation on this Pre-Submission draft, the Council then published its Focused Amendments to the Pre-Submission Draft in November 2015. The most recent 'Schedule of Further Modifications' (August 2016) was submitted to the Secretary of State for examination on the 17<sup>th</sup> August 2016. The District Plan Inspector's initial questions (ID1) raised several potential concerns about the submitted plan including the lack of evidence provided by the Council to justify the 'tipping point' of housing development to which the Council has referred..

3.4

In response to the Inspector's initial questions, the Council clarified (MSDC1) that the 'tipping point' or development capacity of Mid Sussex District as defined by the Council refers to the point at which a series of small effects becomes significant enough to start to cause a larger, more important change in the overall sustainability balance.

3.5

It is therefore of relevance that over the course of the development of the Mid Sussex District Plan, a number of studies of development capacity and SA's have been produced seeking to justify the Council's position in this regard. The remainder of this section summarises the conclusions of these documents and reveals how the concluded development capacity of the District has changed substantially over time, undermining the weight that can be attached to the Council's current stated position on this issue.

### The South East Plan

3.6

Although produced well before work commenced on the Mid Sussex District Plan, the South East Plan provides important context on what has previously been the evidenced development potential for the District.



- 3.7 Even prior to the development of the Mid Sussex District Plan, the South East Plan Regional Spatial Strategy adopted in 2009 set out (at Policy H1: Regional Housing Provision 2006 – 2026) that Mid Sussex will prepare plans, strategies and programmes to ensure the delivery of an annual average of 855 net additional dwellings over the plan period. This housing requirement was an increase on the figure provided in the draft South East Plan, following the Panel's recommendations that Mid Sussex could, and should, deliver more housing. Interestingly, the Council at the time sought to argue that the draft housing requirement figure should not be increased because no more sites could be found – the same argument now being advanced by the Council – which was rejected by the Panel.
- 3.8 The South East Plan was supported by an SA and was scrutinised as part of an examination process. It is clear that because the delivery of 855 dwellings per annum was adopted in the South East Plan, on an annualised basis it could not have concluded that a figure any lower than 855 represented the 'tipping point' for housing delivery due to social, environmental or economic reasons.
- 3.9 Since 2006, Mid Sussex has not come close to delivering 855 dwellings per annum. The South East Plan anticipated delivery of 17,100 dwellings from 2006 to 2026; this means that by 2016 the Council should have delivered 8,550 dwellings. In fact between 2006/07 and 2015/16 the Council has only delivered 5,156 dwellings, a shortfall of 3,394 dwellings and indicative of the fact that the District has not had an up-to-date Local Plan which sought to allocate the land necessary to meet the South East Plan's targets.

## District Plan Evidence Base

### Pre-Submission Sustainability Appraisal (March 2015)

- 3.10 After the withdrawal of the District Plan in May 2014, Mid Sussex District Council published a District Plan SA in March 2015. This was published one month after the Council's February Iteration of the Housing and Economic Development Needs Assessment (HEDNA) which set out that the OAN for Mid Sussex amounted to 627 dwelling per annum.
- 3.11 The SA concluded that **650** dpa was the 'tipping point' for housing development and that (para 4.13) scenarios above 700 dpa should;  
*"...be ruled out as unsustainable, as they are undeliverable due to a lack of identifiable housing supply and proposed levels of development...as having significant environmental effects..."*
- 3.12 This iteration of the SA has now been removed from the Council's website and does not form part of the submission District Plan evidence base. NLP would suggest the Inspector request this document from the Council if he wishes to understand the inconsistent approach adopted by the Council.

## Pre-Submission Sustainability Appraisal (June 2015)

3.13 Just three months later in June 2015 the Council produced another SA which tested five scenarios; A) 500 dpa, B) 600 dpa, C) 650 dpa, D) 700-800 dpa and E) 800+ dpa. This was produced in response to the June 2015 HEDNA report which concluded that the Council's OAN was 656 dwelling per annum.

3.14 The full summary table for the outputs of these scenarios can be found in Appendix 1. Table 3.1 below only shows the outputs for Scenarios C and D to illustrate the 'tipping point' where adverse impacts of housing delivery are concluded in this SA to significantly and demonstrably outweigh the benefits.

Table 3.1 Summary of SA Outputs - Housing Options C (650 dpa) and D (700-800 dpa) - June 2015 SA

		C 650 dpa	D 700-800 dpa
Social	1 - Decent and Affordable Home	+	++
	2 - Access to Health	+	+?
	3 - Opportunities for Education	+	+?
	4 - Access to Retail and Community Facilities	+	+
	5 - Cohesive, Safe Crime Resistant Communities	+?	-?
Environmental	6 - Flood Risk	0	0
	7 - Efficient Land Use	-	--
	8 - Conserve and Enhance Biodiversity	-?	-
	9 - Protect and Enhance Countryside	-	--
	10 - Protect and Enhance Historic Environment	0	0
	11 - Reduce Road Congestion	-?	-
	12 - Reduce Waste Generation	-	-
	13 - Maintain and Improve Water Quality	-?	-
Economic	14 - Increase Energy Efficiency	+?	+?
	15 - Encourage regeneration of Town/Village Centres	+	+?
	16 - Ensure High and Stable Employment Levels	+	+
	17 - Support Economic Growth	+	+
	18 - Encourage Tourism	0	0

Source: Mid Sussex District Council SA June 2015

3.15 The Council concluded that;

*“Option (c) [650 dpa] is the ‘tipping point’ in sustainability terms between acceptability and unacceptability when weighing up whether positive impacts on social and economic objectives outweigh any negative impacts on environmental objectives. Option (c) meets housing need at the same time as not having a demonstrable negative impact on the environment compared to options (d) and (e).”*

3.16 The key differences across each of the objectives assessed in this SA between Options C and D are the environmental factors. For most of these indicators, the justification for the difference between providing 650 and 700-800 dpa is not clear or robustly evidenced, as discussed further in Section 4.

## Pre-Submission Sustainability Appraisal (Focused Amendments) (November 2015)

- 3.17 In November 2015, the Council published its focused amendments to the Pre-Submission Draft District Plan, which included an increase in the housing requirement to 800 dwellings per annum on the basis of the findings of the November 2015 HEDNA. The HEDNA concluded that the Council's OAN amounted to 695 dwelling per annum, but including meeting unmet needs of neighbouring authorities 800 dwellings per annum would be the emerging housing requirement.
- 3.18 Accompanying this increase in the housing requirement was an updated SA. The options tested in the November 2015 SA increased from the June 2015 iteration, starting at 700 dpa. The options assessed were A) 700 dpa, B) 750, C) 800, D) 850, E) 900 and F) 1,000+. In this instance, the SA concluded that 800dpa was the new tipping point for development, some 150dpa greater than the June 2015 iteration and exactly in line with the new housing requirement. The full summary table for the outputs of these scenarios can be found in Appendix 1. Table 3.2 below shows the outputs for Scenarios C and D only to allow comparison of the Councils concluded 'tipping point' with the June 2015 SA.

Table 3.2 Summary of SA Outputs - Housing Options C (800 dpa) and D (850 dpa) - November 2015 SA

		C 800 dpa	D 850 dpa
Social	1 - Decent and Affordable Home	++	++
	2 - Access to Health	++	+
	3 - Opportunities for Education	++	+
	4 - Access to Retail and Community Facilities	++	++
	5 - Cohesive, Safe Crime Resistant Communities	+?	-?
Environmental	6 - Flood Risk	0	-?
	7 - Efficient Land Use	-	--
	8 - Conserve and Enhance Biodiversity	-?	-
	9 - Protect and Enhance Countryside	-?	-
	10 - Protect and Enhance Historic Environment	0	0
	11 - Reduce Road Congestion	-?	-
	12 - Reduce Waste Generation	-?	-?
	13 - Maintain and Improve Water Quality	-?	-
Economic	14 - Increase Energy Efficiency	+?	+?
	15 - Encourage regeneration of Town/Village Centres	+	+?
	16 - Ensure High and Stable Employment Levels	+	+
	17 - Support Economic Growth	+	++
	18 - Encourage Tourism	0	0

Source: Mid Sussex District Council SA November 2015

- 3.19 The SA concluded that;



*“Option (c) [800 dpa] is the ‘tipping point’ in sustainability terms between acceptability and unacceptability when weighing up whether positive impacts on social and economic objectives outweigh any negative impacts on environmental objectives. Option (c) meets housing need within the District, makes a reasonable allowance towards meeting unmet need elsewhere, at the same time as not having a demonstrable negative impact on the environment compared to options (d), (e) and (f).”*

- 3.20 This undermines the Council’s approach to the SA, given that just five months earlier in June 2015 the Council had concluded that 650 dpa was the ‘*tipping point*’ level of housing provision at which the negative environmental impacts outweighed the benefits of development, and that 700+ dpa would have a ‘*demonstrable negative impact on the environment*’.
- 3.21 Furthermore, the Council’s assessment of the environmental impacts of providing 800 dpa has changed significantly. For example;
- a In June 2015, the SA concluded that providing more than 700 dpa would have a significant negative impact on efficient land use and protecting and enhancing the countryside;
    - The November 2015 SA concluded that 800 dpa would have negative impact on efficient land use and only a slightly negative impact on protecting and enhancing the countryside. This is despite both SAs referencing the same documents (e.g. the Capacity OF Mid Sussex District to Accommodate Development (June 2014) study which quotes a figure of 4% unconstrained land, and SA of Cross-Boundary Options for the Mid Sussex District Plan in February 2015) and no new evidence being published in the interim which might change this position.
  - b Similarly, the June 2015 SA concluded 700+ dpa would have negative impacts on conserving and enhancing biodiversity, road congestion, waste generation and water quality;
    - The November 2015 SA concluded 800 dpa would result in a slightly negative effect on these objectives, again despite referencing the same documents and there being no new evidence to suggest otherwise. In the case of road congestion, the SA states that housing provision above that modelled in the Transport Study could (NLP emphasis) have a negative impact on the transport network, however no evidence has been presented to support this. Furthermore, the fact that previously transport associated with 700+ dpa was rated as ‘negative’ whereas 800 dpa is now considered only ‘slightly negative’ further undermines the consistency of the Council’s assessment.
- 3.22 Overall the November 2015 SA appears to simply be ‘moving the goalposts’ rather than providing a full and objective assessment of the impacts of development (particularly environmental, which underpin the Council’s conclusion on the ‘tipping point’). This is illustrated by the significantly different conclusions reached in the June SA and the November SA (for both individual

objectives and the conclusion overall) despite the documents being published in quick succession and broadly relying on the same inputs and evidence. The only notable change in the evidence base seems to be the quantum of housing the Council plans to deliver. There was clearly no basis for the Council – when it examined the June 2015 document - to conclude that its 700+ dpa was a justified tipping point. It felt compelled/able in November 2015 to move its tipping point threshold to support 800 dpa. Unfortunately, it did so without any new evidence or rigour in its approach, and there is no basis to conclude that its evidence and judgements in either document are justified.

### Pre-Submission Sustainability Appraisal (Focused Amendments and Further Modifications) (August 2016)

- 3.23 The most recent iteration of the SA tests the same five housing provision scenarios as the November 2015 SA, ranging from 700 to 1,000+ dpa, in response to the findings of the August 2016 HEDNA which concluded that the Council's OAN amounted to 754 dwelling per annum, albeit 800 dwellings per annum would be the emerging housing requirement to help meet unmet housing needs of neighbouring authorities. As such there was no change to the housing requirement.
- 3.24 With the exception of Scenario A (700 dpa), which in the August 2016 version of the SA is deemed to have 'slightly negative' effects due to this no longer meeting OAN for the District, the assessed outcomes under all objectives are identical to the outcomes set out in the November 2015 SA (and shown in Appendix 1).

### Summary

- 3.25 There is no evidence to justify why differing 'tipping points' for housing development have been concluded upon in various SA documents produced by the Council. As set out in the below Table 3.3 - despite no new evidence on environmental capacity being produced during the course of the production of the four most recent SA's - the Council has assumed development capacity of Mid Sussex has increased by over 20%, suggesting it does not have a clear evidence base or cogent SA framework to support its judgements at any of the stages.

Table 3.3 Concluded 'tipping points' of Mid Sussex Sustainability Appraisals

SA	'Tipping Point'
South East Plan (2009)	855 dpa
SA (March 2015)	650 dpa
SA (June 2015)	650 dpa
SA (November 2015)	800 dpa
SA (August 2016)	800 dpa

Source: Various Mid Sussex SA's and NLP analysis

## Review of Mid Sussex Evidence Base

4.0

4.1

The Council has concluded through the latest (August 2016) iteration of the SA that the most appropriate proposal for housing delivery in Mid Sussex is no more than 800 dpa between 2014 and 2031. The purpose of this section of the report is to unpack how this conclusion has been reached and consider whether this figure represents a justified and evidenced housing development capacity for Mid Sussex beyond which the negative impacts of delivering more homes significantly and demonstrably outweigh the benefits.

### The Sustainability Appraisal: Submission Report (August 2016)

4.2

The SA produced in August 2016 was submitted to the Local Plan Inspector on the 17<sup>th</sup> August 2016 and is the most up to date evidence produced by the Council to justify the delivery of 800 dpa over the plan period as the most appropriate option for housing delivery in Mid Sussex.

4.3

NLP has identified a number of shortcomings in the SA analysis which means that the concluded 800 dpa threshold is flawed. The three key points of critique are:

- 1 the high level balancing exercise within the SA has not been undertaken in accordance with the NPPF requirements,
- 2 the methodology of the SA is flawed due to its reliance on overly restrictive SHLAA and Strategic Site Selection assessments; and
- 3 a number of individual judgements made about each of the objectives used in the SA are incorrect.

4.4

All three flaws identified need careful consideration because cumulatively they result in the SA concluding that the Mid Sussex District Plan cannot meet the housing needs of the HMA.

## 1. The Balancing Exercise

4.5

The methodology of this SA is flawed because it has not applied the weighted balancing exercise correctly as required by paragraph 14 of the NPPF. The SA assesses six options for different quantum of housing delivery<sup>2</sup> against a total of 18 different objectives split into social, environmental and economic categories. Each option for development is then scored against each objective using the below scoring method.

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<sup>2</sup> Option A (700dpa), Option B (750DPA), Option C (800dpa), Option D (850dpa), Option E (900dpa) and Option F (1,000+dpa)

Figure 4.1 Scoring for The Sustainability Appraisal: Submission Report (August 2016)

<b>++</b>	<b>Significant positive impact on the sustainability objective</b>
<b>+</b>	<b>Positive impact on the sustainability objective</b>
<b>+?</b>	<b>Possible positive or slight positive impact on the sustainability objective</b>
<b>0</b>	<b>No impact or neutral impact on the sustainability objective</b>
<b>-?</b>	<b>Possible negative or slight negative impact on the sustainability objective</b>
<b>-</b>	<b>Negative impact on the sustainability objective</b>
<b>--</b>	<b>Significant negative impact on the sustainability objective</b>

Source: The Sustainability Appraisal: Submission Report (August 2016) para 2.30

- 4.6 The SA presents the below table to show the 'scores' for the six options assessed by showing the significant positive and negative scores only. The full summary table including all eighteen objectives and the scores against each option for housing delivery is included in Appendix 1.

Table 4.1 Significant Positives and Significant Negatives of the housing numbers options appraised by the Council

	A: 700	B: 750	C: 800	D: 850	E: 900	F: 1,000+
<b>Significant Positives (++)</b>	0	0	4	3	3	3
<b>Significant Negatives (--)</b>	0	0	0	2	4	5
<b>Positives outweigh Negatives</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>-1</b>	<b>-2</b>

Source: Mid Sussex SA (August 2016) Table 32: Housing Provision - Significant Positives and Significant Negatives

- 4.7 The Council then state the below at paragraph 7.96 of the SA in response to the findings of this table.

*"This exercise looks at the sustainability objectives likely to have major negative and positive impacts. Between C and D the positive case falls away, turning significantly negative by Option E. This exercise does not attempt to weight criteria. (NLP emphasis)*

- 4.8 Firstly, it is unclear why the Council would use only the significant positive (++) and significant negative (--) scores to measure the performance of the six options for development. This means that objectives that are scored using any of the other five scoring options are ignored, which could cumulatively alter the assessment.

- 4.9 Secondly, and more importantly, the fact that the SA has sought to apply equal weight to all of the objectives is inherently flawed. Paragraph 14 of the NPPF is clear that evidence is required to identify the point at which the adverse impacts of delivering housing needs would significantly and demonstrably outweigh the benefits. The delivery of sufficient homes to meet housing need is clearly given significant weight in the NPPF because not meeting housing need can only be justified through significant and demonstrable negative impacts. It is therefore clear that by applying the same weight in terms of the significant positive and significant negative impacts in Table 4.1 above, the importance of meeting housing need (Objective 1) relative to other objectives is not applied in accordance with the NPPF because the NPPF does not attach the same weight to all of the objectives Mid Sussex has assessed in the SA.

- 4.10 For example, the objective 'Efficient Land Use' seems to give a significant negative (--) score to options for more than 800 dpa because these options would require more than four greenfield strategic sites to be delivered, reducing the percentage of brownfield land developed in the District. Furthermore the SA states that this level of housing would necessitate the need for low density development in sensitive landscape areas which is not an efficient use of land. Although the NPPF prioritises the use of brownfield land provided that it is not of high environmental value (paragraph 17 and 111), it does not require development to be limited when substantial greenfield land is needed to meet needs. It is therefore clear that the purported negative consequence of developing greenfield land cannot be afforded the same weight in the balancing exercise as meeting housing needs of the HMA. By scoring these criteria as a significant positive (++) and significant negative (--), under the Councils assessment they appear to have essentially balanced each other out. This is a significant flaw as the advantage of meeting housing needs should be afforded more weight than the negative of having to develop greenfield land as per the NPPF.

## 2. Methodological Flaws

- 4.11 Secondly, the Council make a number of assumptions on the scoring against certain objectives based on the purported fact that the Council does not have enough sites (small or strategic) to fulfil some of the higher options for housing growth. To illustrate this point, an example of how a social and environmental objective have had their scoring impacted by the findings of the SHLAA and Strategic Site Selection Paper (SSSP) are set out below:
- (Social) Objective 2 – Access to Health & Objective 3 – Opportunities for Education: Options for housing delivery in excess of 800 homes is scored less favourably because of the following. *"The major positive impacts predicted for option (C) for objectives 2 (health) and 3 (education) may not be as positive for this option [D]. Should delivery of this provision be on a further strategic site compared to the delivery of option (C), facilities would be provided onsite and demand could be met, with major positive impacts predicted. However, it cannot be demonstrated that there are further suitable/available/achievable strategic sites to meet this housing provision, which increases uncertainty." NLP emphasis*
  - (Environmental) Objective 6 – Flood Risk: Options for housing delivery in excess of 800 homes is scored possible negative or slight negative (-?) because *"Options (d), (e) and (f) cannot be satisfied by the pool of suitable sites within the SHLAA, which may increase the risk of requiring development of sites less suitable which may include some at risk of flooding." NLP emphasis*
- 4.12 However, this is predicated on a circular argument because the methodology adopted in the SHLAA and the SSSP is unduly restrictive and filters out suitable sites for development even where identified impacts can be mitigated or should be weighed in the planning balance (and not than removed as an outright constraint).

## SHLAA Methodology

- 4.13 The SHLAA uses a base date of 1<sup>st</sup> April 2016, with the housing trajectory split into five year bands of: years 1-5 (2016/17 – 2020/21); years 6-10 (2021/22 – 2025/26); and years 11+ (2026 – 2030/31)
- 4.14 There is a concluded total housing potential of 12,596 dwellings for the period to 2031, from all sources of available land.

*‘These figures represent the sum of all available housing land in the District but should be viewed as a maximum ‘palette of sites’ to choose from in future plan-making decisions and not an acceptable sum total to deliver.’ (Mid Sussex SHLAA, April 2016)*

Table 4.2 SHLAA summary of results

Source of Supply	Deliverable (Years 1-5)	Developable (Years 6-10)	Developable (Years 11+)	Total Supply
Commitments (within the planning process)	3,959	919	412	<b>5,290</b>
Site not currently in the planning process	239	1,413	1,554	<b>3,206</b>
District Plan Allocations (pending) at Burgess Hill	515	1,680	1,305	<b>3,500</b>
District Plan Allocations (pending) at Pease Pottage	150	250	200	<b>600</b>
<b>Total Housing Potential</b>	<b>4,863</b>	<b>4,262</b>	<b>3,471</b>	<b>12,596</b>

Source: Mid Sussex SHLAA (April 2016)

## The Methodology

- 4.15 In terms of the assessment of the **sustainability** of sites, the methodology is not clear as to the point at which a site would be filtered for being unsuitable. The Council has considered a site’s accessibility to essential facilities (for example to town and village centres, shops, train stations and GP surgeries) in determining suitable sites in the SHLAA and considers that any distance over 1.6km should be scored as poor, but the methodology is not clear if this means a site should be filtered as unsuitable. The same applies to public transport whereby a poor classification is considered for sites where public transport is not classified, but it is unclear whether this site is then filtered from the SHLAA assessment.
- 4.16 In overcoming the constraints on suitability, achievability and availability, the Council state that consideration will be given to when and how these constraints could be overcome and the likelihood that they will be delivered, as supported by planning practice guidance (PPG).
- 4.17 As the methodology is unclear about the circumstances where a site would be filtered from the SHLAA, NLP has undertaken a ‘spot check’ of filtered sites to understand the reasons why these sites were filtered from the assessment. Various reasons have been given for discounting sites, many of which are

unjustified and inconsistent. In his initial questions for the Mid Sussex District Plan (15 September 2016), the Inspector stated his concern that the Council appeared to have been excessively restrictive in not accepting sites as developable in their SHLAA and that they were at risk of rejecting eligible sites. The following examples from the Council's SHLAA (April 2016) demonstrate that there are clear inconsistencies in the SHLAA assessments of individual sites (notably concerning AONB) but also the suitability criteria is being applied in an overly stringent manner.

### Inconsistent Assessments for sites in the AONB

4.18

The NPPF identifies that AONB is a constraint to development whereby meeting housing needs at the expense of the AONB could significantly and demonstrably outweigh the benefits. However, the Council has adopted an inconsistent approach to dealing with sites in the AONB within the SHLAA as set out with examples below.

- Pease Pottage (SHLAA #666) is a commitment under the SHLAA for 600 dwellings. It is stated that due to its location entirely in the High Weald AONB, careful consideration should be given to the development's layout and design to mitigate this. The assessment also states that the site is poorly related to the settlement and services.
- Significantly, land at Lower Tilgate, east of Pease Pottage (SHLAA #243) which is a larger site of 343ha incorporating the above site was discounted due to its size and location in the AONB and its poor relation to the settlement and services. There is therefore clear inconsistencies between the way this site was assessed and SHLAA #666 despite having exactly the same constraints.
- A further inconsistency is demonstrated for 'Broad location north and east of Ansty' (SHLAA #736). This is a 260ha site of which 160ha is located in the AONB. The Council state here in the SHLAA that "*the northern part of the site is within the AONB, which is unsuitable for strategic development*". The remaining 100ha of land at the broad development location north and east of Ansty was discounted due to the insufficient information on provision of infrastructure for the site. In addition to the point of inconsistency raised, lack of detail in a SHLAA submission on infrastructure provision is not a justification for discounting it from the SHLAA, particularly when it could be capable of delivering a large number of the District's housing needs and infrastructure delivery could be overcome.



- Another example of the SHLAA methodology's inconsistency with dealing with AONB is Constance Wood Recreation Ground (SHLAA #183) which is in the AONB, has an open space designation which would require a replacement facility to be delivered and has no current vehicular access (would need third part land or the demolition of a dwelling). Despite not being suitable or available, the site is considered developable in the SHLAA. As is highlighted below in 'other reasons for discounting sites', sites that are not in the AONB have been discounted from the SHLAA for the same constraints listed on this site, highlighting further inconsistency in the Council's SHLAA methodology aside from how it deals with AONB.

### Other reasons for discounting sites

4.19

There are various other reasons the Council has given for discounting sites which NLP considers, like the District Plan Inspector, "*use of overly rigid criteria*" (Mid Sussex District Plan Examination: Inspector's initial questions (housing), 15 September 2016). The following examples of when it can be considered that sites have been discounted unjustifiably against the purposes of the SHLAA:

- **Distance to services and facilities:** sites were discounted for being too far from services and facilities, despite for example adjoining a settlement like land east of Borde Hill Lane, Haywards Heath (SHLAA #566) which is closely related to Haywards Heath. It would appear the rigid distance to services criteria has been applied here and may equally apply to other sites.
- **Visually detrimental to the landscape:** as identified in the Land Use Consultants (LUC) report (January 2015) for example land at Ansty farm (SHLAA #576), which had a heavily treed boundary to the road and therefore less visible and was not restricted by policy designations yet was discounted in the SHLAA even though at least one of the land parcels appears potentially suitable. This may equally apply to other sites.
- **Land forms a buffer between settlements:** sites including land north of Riseholme, Broad Street, Cuckfield (SHLAA #63) have been discounted for its 'sensitive location' between Cuckfield and Haywards Heath. The site is not in within a gap where development is restricted by policy and furthermore, a very significantly sized SNCI would maintain a large buffer between the two settlements. Therefore, it is not clear how the discounting of sites in such circumstances can be justified.
- **Sites detached from a village:** Hazeldens Nursery, Albourne (SHLAA #58) was stated to be detached from the village of Albourne and therefore not accessible to local services and facilities. However, it is located on the opposite side of the B2118 from dwellings of Albourne village, is approximately 400m walk from the village centre and has a bus stop located next to it on the B2118.



- 4.20 The above is not to say that any of these sites are suitable on other factors (NLP has not visited or assessed other aspects of any of these sites) but it is simply produced as a spot-check on how criteria have been applied.
- 4.21 This review of the SHLAA has highlighted that its methodology does not provide clear indicators for determining if a site is developable. There are serious inconsistencies in the application of the Council's methodology, particularly in regards to AONB and NLP's 'spot check' highlighted sites which have been discounted as unsuitable for unfounded constraints. This suggests that the assessment of suitable sites has been too restrictive and it is likely that there are eligible sites which have been discounted based on reasons which are not justifiable against the NPPF and PPG. This means that the pool of sites that has informed the conclusions of the SA (that there are no further suitable sites) is artificially small and that in fact more sites could deliver homes if less stringent/more consistent suitability criteria were used.
- 4.22 The PPG is clear in respect of the methodology to apply through SHLAAs stating (ID3-011):
- "...plan makers should be proactive in identifying as wide a range as possible of sites and broad locations for development... Sites, which have particular policy constraints, should be included in the assessment for the sake of comprehensiveness but these constraints must be set out clearly, including where they severely restrict development. An important part of the desktop review, however, is to test again the appropriateness of other previously defined constraints, rather than simply to accept them.*
- Plan makers should not simply rely on sites that they have been informed about but actively identify sites through the desktop review process that may have a part to play in meeting the development needs of an area."*
- 4.23 The way the SHLAA artificially applies constraints as ones which would 'severely restrict development' is a shortcoming. Even then, the SHLAA does not appear to go on to proactively identify ways to either mitigate/overcome constraints, test their appropriateness or identify alternative broad locations for development which would be suitable. Fundamentally the way the SHLAA has been crafted is not one which conforms to the guidance contained within the PPG. It serves to unjustifiably limit the supply of land and contaminates the conclusions of the Council's SA.

### **Strategic Site Selection Paper (August 2016)**

- 4.24 The SSSP was produced in August 2016 to determine the most appropriate site(s) for allocation in the District Plan by bringing the key elements of the SHLAA and SA together. It is the strategy of the Council to allocate only strategic sites of 500 or more homes in the District Plan with smaller sites being allocated through Neighbourhood Plans or the forthcoming Site Allocations document.
- 4.25 The sites assessed in the SSSP are schemes of more than 500 homes assessed in the SHLAA which fulfilled the following criteria:

- Achieved at least 'two ticks' in the SHLAA (in terms of being suitable, available and achievable); or
- Were promoted to the District Plan during consultation.

4.26 This analysis is flawed from the outset because the SHLAA has applied an unduly restrictive methodology which could well have filtered sites which should be considered for strategic housing delivery in Mid Sussex.

4.27 The SSSP undertakes the analysis to determine the most appropriate site(s) by assessing each of them against 15 criteria and scoring the site against a five point scale ranging between Very Positive Impact and Very Negative Impact. The SSSP ultimately concludes on which sites to allocate by affording equal weight to all of the 15 criteria assessed and numerically ranking each site by the total number of Very Positive Impacts and Very Negative Impacts each site has. Solely on the basis of this analysis, a total of three sites are concluded upon to be allocated in the District Plan, Hardriding Farm (600 units), Northern Arc (3,500 units) and Kings Way (480 units).

### Review of the SSSP methodology

4.28 Although the methodology used for strategic site selection is broadly justified, there are a number of criteria used to rank the sites which ultimately undermine the wider District Plan and the concluded development capacity of the District at 800 dwellings per annum over the plan period.

4.29 Firstly, it is clear that some of the criteria used to assess the relative performance of the strategic site options are biased towards sites which can deliver early in the plan period as set out below.

- **Site Availability** – sites not promoted to the District Plan at this stage are scored as a Very Negative Impact and those being actively promoted to the District Plan are scored as a Very Positive Impact;
- **Progress** - No details regarding site deliverability/ownership/mitigation is scored as a Very Negative Impact and sites that have received planning permission are scored as a Very Positive Impact;
- **Timescale** - Unlikely to deliver any units within 5 years is scored as a Very Negative Impact and Very likely to deliver units / full site within 5 years is scored as a Very Positive Impact;
- **District Needs** - Likely to meet housing need arising in local area only is scored as a Neutral Impact and Likely to contribute significantly towards housing need arising District wide is scored as a Very Positive Impact; and
- **Unmet Needs** - Negligible/low/no contribution towards unmet needs of neighbours is scored as a Very Negative Impact and Likely to make a major contribution towards Brighton & Hove's needs/ Crawley's needs/ Brighton & Hove and Crawley's needs is scored as a Very Positive Impact.

- 4.30 This criteria has the impact of negatively or neutrally scoring sites that are not promoted to the plan at this stage (Site Availability), sites which do not have detailed worked up plans (Progress) and sites which will not deliver in the next five years (Timescale). The District Needs criteria relates to the apportionment of the District's overall housing need to each settlement, based on the number of dwellings in that settlement. Therefore, sites that only meet a settlement's local share of OAN (District Needs) is scored neutrally. Finally, the Unmet Needs criteria applied is evidenced through the Sustainability Appraisal of Cross-Boundary Options (February 2015) report. The report assesses where unmet housing needs could be accommodated based on where unmet need originate, i.e. whether this was north of the AONB or south of the AONB/north of the National Park, and potential broad locations. Therefore, this criteria scores sites based on their location.
- 4.31 Although a poor score in this assessment does not mean that the site is unsuitable for development (the Council states that this exercise does not rule them out for future consideration within Neighbourhood Plans or the Site Allocations DPD), the analysis does negatively impact upon the quantum of housing that the SA assumes can be delivered in the District and informs the conclusion of the 800dpa development capacity figure.
- 4.32 As per the previous analysis of the August 2016 iteration of the Mid Sussex SA, the analysis is predicated on the notion that the District cannot deliver more than 800 dwellings per annum, evidenced by the SHLAA and the SSSP. If in fact there are sites which are suitable for development, but have been filtered from inclusion in the District Plan because they cannot be delivered early in the plan period (presumably to ensure the District Plan can demonstrate a five year supply of housing land) this fuels the conclusion in the SA that there simply are not more than 800dpa worth of suitable sites in the District.
- 4.33 In fact, if a number of suitable strategic sites were suitable but could only deliver later in the plan period this would be an argument not to reject them, but to increasing the housing requirement to meet OAN, even if this needed to be accompanied by a stepped trajectory in Mid Sussex, whereby a greater overall quantum of housing is delivered, but at lower rates earlier in the plan period and more in later phases as the strategic sites start to deliver (subject to smaller suitable sites not being available to meet needs in the short-term). This is an approach adopted elsewhere<sup>3</sup>, but has not even been considered by the Council. In any event, NLP does not believe a stepped trajectory is justified in Mid Sussex as there are likely to be additional smaller sites available to meet needs in the short term.

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<sup>3</sup> The adopted West Northamptonshire Joint Core Strategy Local Plan (Part 1) (December 2014) has utilised this type of trajectory. The annual housing need figure the Councils (Northampton, Daventry and South Northamptonshire) are required to meet fluctuates throughout the trajectory period to demonstrate the realistic supply of potential housing sites in West Northamptonshire rather than a flat rate annualised figure.

- 4.34 The Site Allocations document will only be obliged to identify sufficient sites to meet the 800 dpa over the plan period, were the District Plan to be adopted in its current form. This creates a circular problem: if there are more suitable strategic sites available to deliver homes which would amount to delivery above and beyond 800dpa (regardless of whether this is later in the plan period) this will not be captured in the District Plan because these same sites have been ruled out at this stage because they cannot deliver early. Therefore, the delivery of more than 800 dpa cannot be assessed until the longer term suitable sites are taken into account, but this will not be done until after the District Plan is examined as part of a Site Allocations DPD.
- 4.35 To articulate this point, the scores of the strategic sites are updated by NLP to remove the five criteria set out above which filter sites for longer term delivery. **This exercise is purely illustrative and is not intended to highlight conclusions on any particular site, but merely how the methodology, as applied across the board, has sought to weigh scoring against sites. There may be further site specific reasons any individual strategic site is not suitable; we have not reviewed these.**



Figure 4.2 NLP amended conclusions of the Strategic Site Selection Paper

<b>NLP Calculation (Excluding Deliverability and Need)</b>																
	Northern Arc	Kings Way	West of Burgess Hill	Crabbet Park	Mayfield	Cuckfield Bypass	Harwoods Farm	North East Lindfield	HH Golf Course	Eastlands	Hardriding Farm	South Pease Pottage	Lower Tilgate	North and East Ansty	Imberhorne Farm	
AONB																3
Landscape																2
Flood																1
Ancient Woodland																0
SNCI/SSSi/LNR																-1
Heritage																
Education																
Health																
Town Centre																
Transport																
Road																
<b>Units</b>	3,500	480	2,500	2,300	5,000	500	600	1,200	450	630	600	660	1,750	3,000	550	
Very Positive	3	3	5	2	4	4	1	2	1	3	4	3	4	2	4	
Very Negative	1	1	2	1	2	1	3	2	1	1	1	1	2	2	2	
Score	2	2	3	1	2	3	-2	0	0	2	3	2	2	0	2	

<b>MSDC Calculation</b>																
Very Positive	8	6	8	4	7	4	1	2	2	3	8	4	6	4	5	
Very Negative	1	1	4	3	3	3	5	3	2	4	1	2	5	4	3	
Score	7	5	4	1	4	1	-4	-1	0	-1	7	2	1	0	2	

Source: NLP Analysis



- 4.36 On the basis of only assessing the options against the remaining ten criteria, it is clear that there have been notable changes to the sites which score the most highly. The top three scoring sites are now West of Burgess Hill, Cuckfield Bypass and Hardriding Farm. There is also a much more notably clustering of scores with two thirds of the options assessed scoring 2 or 3.
- 4.37 However, even accepting the criteria used, the weighting exercise has clearly still not been applied correctly. The criteria should not – as the Council has done - be afforded the same weight:
- “The [above] ranking of sites assumes equal weighting between the objectives. For instance, a site with significant flood risk is judged to have a negative impact to the same degree as a site that wouldn’t contribute towards the unmet needs of neighbouring authorities, even though it is subjective as to whether one objective is more important than another – this is the nature of this type of assessment.”* Paragraph 1.37 (NLP emphasis)
- 4.38 The weighting of these criteria is clearly not just a numerical exercise as established by the NPPF. NPPF footnote 9 constraints including AONB are set out in paragraph 14 of the NPPF to represent factors whereby development should be restricted. Therefore the location of a site within the AONB cannot be afforded the same weight as a site being unlikely to deliver any units within the next 5 years.
- 4.39 All of these points clearly demonstrate that there is potential for the delivery of a greater number of suitable strategic sites in Mid Sussex.

### C. Weighting Judgments

- 4.40 It has been established above that not all objectives assessed in the SA should be afforded the same weight when concluding upon the most appropriate level of housing delivery in the District Plan. However, looking at the components of the SA conclusion in further detail NLP also consider the way some of the objectives has been assessed is flawed, meaning that before appropriate weight can be attached to the conclusions, the assessments of some objectives need to be amended.
- 4.41 The objectives against which NLP consider incorrect judgements have been made about how that objective has been scored are set out below. Although the individual scoring of development options against objectives is a judgment, it is important to scrutinise them because the SA conclusions have informed the paragraph 14 balancing exercise which has concluded that Mid Sussex cannot meet housing needs in the HMA.

#### 1 – Decent and Affordable Home

- 4.42 The weight the NPPF affords to meeting OAN of the HMA is established in paragraph 14 of the NPPF whereby not meeting housing need can only be justified through significant and demonstrable negative impacts. It is acknowledged in the Council’s letter to the District Plan Inspector dated the



29<sup>th</sup> September 2016 that unmet housing needs in the Northern West Sussex and Coastal West Sussex HMAs is over 37,000 over the plan period. Therefore, it is not justified to score the delivery of 800dpa (Option C) as a significant positive because it will not come close to meeting the OAN of the HMA (even if the Council's OAN for the district is accepted), for that matter only the delivery of 1,000+ dpa (option F) could be considered to be a significant positive when assessed against this objective. Furthermore, in light of the evidence on OAN (which identifies the District's OAN as being at 1,000 dpa) the delivery of less than 800dpa in Options A and B should clearly be significant negative scores because they do not even meet the housing needs of Mid Sussex, let alone the HMA.

## 2 – Access to Health

- 4.43 The Council justify the reduction from the significant positive score (++) for this objective for Option C in Options D, E and F by stating that the level of development associated with these options would require a quantum of development across the District that may put a strain on existing facilities and if it was delivered on strategic sites (at the expense to growth of existing settlements), this would not benefit existing settlements. More positive impacts could be expected if adequate improvements are sought and overall capacity substantially increased to meet demand, with the support of the health authority. However, it cannot be demonstrated that there are further suitable/available/achievable strategic sites to meet this housing provision, which increases uncertainty.
- 4.44 Firstly, the Council states that this level of development would put strain on existing health services, however the Mid Sussex Infrastructure Delivery Plan (August 2016) does not indicate how many additional patients health care providers could accommodate before reaching capacity, focussing rather on the location, age and inability for some existing surgeries to expand and emphasising the future need for health care services closer to patients homes. None of which quantify how many additional patients existing services could accommodate in each settlement.
- 4.45 Secondly, the statement that delivery of homes on strategic sites would not benefit existing settlements is to some extent irrelevant. If a new strategic site meets its own needs for healthcare within its own boundaries, this does not negatively impact residents of other settlements in Mid Sussex. On the contrary, if a strategic site is not of sufficient size to generate a whole new GP surgery, S106/CIL contributions could be raised to deliver healthcare where it is needed, which may be within an existing settlement.
- 4.46 Finally, the assertion that there are not sufficient suitable strategic sites to meet this housing provision is flawed because the SHLAA and SSSP have both unduly constrained the quantum of suitable sites in the District as set out above. This judgment is not reasonable, justified or founded in evidence.

### 3 – Opportunities for Education

- 4.47 The same points apply as per 2 – Access to Health. The Council's approach is not justified.

### 5 – Cohesive, Safe, Crime Resistant Communities

- 4.48 The Council's justification for scoring Options D, E and F more negatively is that *"This level of development would likely require development in settlements further down the settlement hierarchy set out in the Settlement Sustainability Review. This has the potential to limit social cohesion and change the character of existing settlements"*. There is no justifiable or evidenced reason why the delivery of more homes would have a negative impact on social cohesion or crime rates solely because of greater levels of population and housing growth, or indeed why 800+ dpa is the point at which outcomes change from being slightly positive to slightly negative. This judgment is not reasonable, justified or founded in evidence.

### 6 – Flood Risk

- 4.49 The Council states that Options D, E and F cannot be satisfied by the pool of suitable sites within the SHLAA and therefore this may increase the risk of requiring development of sites less suitable which may include some at risk of flooding to meet these quantum's of housing. Firstly, as per Figure 2.1 of this report, there is only a very small area of Flood Zone 2 and 3 outside of areas constrained by NPPF footnote 9 constraints. Secondly, there is no reason why development in Flood Zone 2 and 3a cannot be mitigated. Finally, even if it were accepted that increased risk of developing in the Flood Zones is a reason to score these options more negatively, there are clear examples of sites in the SHLAA which have been omitted as unsuitable for spurious reasons which do not fall within Flood Zones 2 or 3. Therefore the development capacity for sites outside of Flood Zones 2 and 3 is clearly greater than 800 dpa.

### 7 – Efficient Land Use

- 4.50 The SA scores options for more than 800dpa as significant negatives (--) because these options would require more than four greenfield strategic sites to be delivered, reducing the percentage of brownfield land developed in the District. Furthermore it states that this level of housing would necessitate the need for low density development in sensitive landscape areas which is not an efficient use of land. Although the NPPF prioritises the use of brownfield land provided that it is not of high environmental value (paragraph 17 and 111), it does not require development to be limited when substantial greenfield land is needed to meet needs. It is therefore clear that the development of greenfield land should not be afforded such negative weight in accordance with the NPPF.

## 8 – Conserve and Enhance Biodiversity

- 4.51 The SA states that although all options have the potential to impact negatively, Options D, E and F would propose levels of development vastly in excess of that concluded as the ‘tipping point’ in the SA of Cross-Boundary Options for Mid Sussex District report (February 2015). *“The ‘Sustainability Assessment of Cross Boundary Options’ assumes that provision in excess of (indicatively) 780dpa would be a reasonable assumption for distinguishing between minor and significant effects, and has the potential to give rise to some significant environmental effects dependant on location and how development is delivered.”*
- 4.52 Because the SA of cross-boundary options concluded that provision in excess of 780dpa would be a reasonable assumption for distinguishing between minor and significant effects dependent on location, it is not possible to conclude that there are fundamental differences between arbitrary quantities of growth alone.

## 9 – Protect and Enhance Countryside

- 4.53 The same points apply as per 7 – Efficient Land Use and 8 – Conserve and Enhance Biodiversity. The Council’s approach is not justified.

## 11 – Reduce Road Congestion

- 4.54 The SA states that, *“The Mid Sussex Transport Study has identified a number of localised issues which could be worsened with a housing provision significantly beyond that modelled within the transport study (800dpa). Therefore, option (d) and to a greater extent options (e) and (f) could have a negative impact on the transport network.”*
- 4.55 It is not evidenced why, other than simply being higher than the scenarios assessed in the Study, that provision of 850 dpa would result in negative (-) score but 900 to 1,000+ would result in a significant negative score (--) as all three options are greater than modelled in the Transport Study.

## 15 – Encourage regeneration of Town and village Centres

- 4.56 The SA states that *“Options (a), (b) and (c) propose levels of development that could predominantly require extensions to existing towns and villages, as well as strategic sites. This should encourage the regeneration of existing towns and village centres by increasing potential footfall and demand for services, therefore making the centres more attractive for new investment and helping to retain existing businesses. The level of development associated with options (d), (e) and (f) would require a further allocation of strategic site(s) (potentially at the expense of smaller scale development in villages). It is expected that strategic sites would provide retail/community facilities on-site but this could be to the detriment of existing town centres and therefore could limit any positive impacts.”*

- 4.57 The assertion that delivery of homes on strategic sites would not benefit existing settlements is to some extent irrelevant. If a new strategic site meets its own needs for retail/community within its own boundaries, this does not negatively impact residents of other settlements in Mid Sussex. On the contrary, if a strategic site is not of sufficient size to generate a whole new retail/community offer, S106 contributions could be raised to deliver this where it is needed, which may be within an existing settlement.

## Overview

- 4.58 Although the SA scoring is based on a series of judgments, because of the way the Council relies upon the SA to support its application of paragraph 14 of the NPPF, the Inspector has to consider the Council's scoring in detail because it is the sole basis adopted by the Council for its claim that the District cannot meet the housing needs of the HMA.

## Summary

- 4.59 The SA is fundamentally flawed because it has misapplied the high level 'tilted balance' exercise in accordance with the NPPF requirements. It utilises a flawed methodology due to its reliance on overly restrictive SHLAA and Strategic Site Selection assessments and makes a series of individual judgments against the objectives which are not reasonable, justified or founded in evidence.
- 4.60 Once the negative weighting towards options which do not meet housing needs across the HMA are rectified, a less stringent SHLAA and SSSP methodology are utilised and justified and evidenced judgments are formed on how to score these set objectives, it is perfectly clear that there is significant upward pressure on the Council's concluded 800dpa total development capacity for Mid Sussex, which would enable the Council to plan positively to meet the OAN not just of the District but move towards that of the HMA

5.0

## Market capacity

5.1

Aside from the SA, the Council has also indicated that the housing market capacity of Mid Sussex has an impact on the quantity of homes that can be delivered in the District, stating the below at page 5 of the letter to the District Plan Inspector dated the 29th September 2016.

*“While completions have fallen below the revoked South East Plan ‘target’ of 855 dpa, the stock of outstanding commitments has remained high - in excess of 4,000 units throughout the period, and the analysis suggests that the major issue has been of a failure of developers to commence and then complete development. To a large extent the trends shown were inevitable as the South East Plan attempted at a late stage to redistribute housing requirements into Mid Sussex, as a balancing exercise for other levels of development proposed for the South East, but without any obvious evidence that such an allocation would be delivered or that there was an effective mechanism for displacing growth in this way.”*

5.2

The Council seems to be implying that it would not matter how many dwellings were approved planning permission in Mid Sussex, because the market is not delivering them when planning permission is received. However, this is not what the figures quoted by the Council actually show. Once planning permission is approved, developers have three years to make a material start on site, this allows time for discharging conditions, undertaking site preparation works and generally opening up the site prior to the delivery of the first dwelling. As such the fact that there are outstanding commitments of 4,000 units simply means that the majority of these consents are yet to start on site, undoubtedly some permissions may lapse but the majority will come forward and deliver housing completions. Furthermore, there is clear capacity in the market to deliver in excess of 800 homes because in 2015/16 868 dwellings were completed. This was achieved without the Council proactively seeking to boost housing delivery and demonstrates the appetite of the market to deliver homes in Mid Sussex.

5.3

The separate evidence provided by NLP on objectively assessed housing needs demonstrates there is clearly sufficient underlying structural need and demand to sustain delivery. A scale of delivery in excess of 800dpa is not considered such a level as to exhaust the market and represents a rate that has been comfortably achieved and sustained in other authority areas across the south east. A key constraint on the ability of the market to deliver in Mid Sussex is sufficient land upon which to do so, as highlighted by the Council’s own highlighted ‘4,000 units stock of outstanding commitments’ falling short of maintaining a rolling five year land supply (i.e. 800-855dpa x 5 plus buffer).

6.0

## Conclusions

6.1

This report considered whether the tilted balancing exercise, as per paragraph 14 of the NPPF, has been applied in a justified manner in Mid Sussex, to reach the concluded housing development capacity of 800dpa by the Council. The 800dpa development capacity figure is evidenced by the SA (August 2016) produced by the Council, which concludes that delivery of more than 800dpa would have a “*demonstrable negative impact on the environment*”. However, the evidence behind this concluded development capacity is in some cases inaccurate, does not accord with the requirements of national policy and in some instances is also inconsistent.

6.2

Set out below are the main reasons why NLP considers the development capacity figure of 800dpa for Mid Sussex District is flawed and a greater quantum of housing could be delivered sustainably in the District.

- 1 Between March 2015 and November 2015 the Council concluded upon wide ranging ‘tipping points’ for development in the District of between 650 and 800dpa, which appear to have been updated dependent on the provision of new housing need evidence rather than any new evidence being provided on social, environmental or economic capacity.
- 2 The methodology of this SA is flawed because it has not applied the weighted balancing exercise correctly as required by paragraph 14 of the NPPF. The SA has sought to apply equal weight to all of the eighteen objectives; however, the NPPF is clear that evidence is required to identify the point at which the adverse impacts of delivering housing needs would significantly and demonstrably outweigh the benefits. The delivery of sufficient homes to meet housing need is clearly given significant weight in the NPPF and cannot be given the same weight as all other objectives in the SA.
- 3 The Council has scored a number of the SA objectives based on the lack of sites (small or strategic) to fulfil some of the higher options for housing growth. However, this is predicated on a circular argument because the methodology adopted in the SHLAA and the SSSP is unduly restrictive and filters out suitable sites for development.
- 4 The way some of the objectives has been assessed and subsequently scored in the SA is flawed. This was identified as a concern by the District Plan Inspector in his letter of the 15<sup>th</sup> September 2016. Although the individual scoring of development options against objective’s is a judgment, it is important for the Inspector to scrutinise individual scorings because the SA conclusions have informed the paragraph 14 balancing exercise which has wider ramifications for concluding that Mid Sussex cannot meet housing needs in the HMA.
- 5 The Council implies that the market is not delivering planning permissions when they are approved and that this is evidence that there is not capacity in the market to deliver more than 800dpa. However,

there is clear capacity in the market to deliver in excess of 800 homes because in 2015/16 868 dwellings were completed. This was achieved without the Council proactively seeking to boost housing delivery and demonstrates the appetite of the market to deliver homes in Mid Sussex.

- 6.3 In summary, there is no compelling evidence base produced by the Council to justify that development in excess of 800dpa would have a demonstrable negative impact on the environment, particularly in the context of the reduced pool of suitable sites identified in the SHLAA and SSSP. NLP does not dispute that the AONB in Mid Sussex and other NPPF footnote 9 constraints represent constraints to housing development as per NPPF paragraph 14, but there is a significant undeveloped portion of the District which is not impacted by NPPF footnote 9 constraints. The amount of weight applied in the balancing exercise to all other policies in the NPPF has unduly restricted the conclusion that the development capacity of the District is 800dpa. In essence the Council's evidence appears to apply a straight balancing exercise; the 'tipping point' being once negative impacts outweigh positive impacts, rather than a significant and demonstrable test (the 'tilted balance'). However, were the Council to properly apply greater weight to the need to meet housing needs in the HMA (as per the NPPF requirement), the balancing exercise would be altered and a greater development capacity concluded upon when weighted against NPPF policies which fall outside of those identified as footnote 9 constraints.

## Appendix 1 SA Tables





Pre-Submission SA (June 2015)		D 700-800 dpa				
		A 500 dpa	B 600 dpa	C 650 dpa	D 700-800 dpa	E 800+dpa
Social	1 - Decent and Affordable Home	+	+	+	++	++
	2 - Access to Health	+	+	+	+	+
	3 - Opportunities for Education	+	+	+	+	+
	4 - Access to Retail and Community Facilities	+	+	+	+	+
	5 - Cohesive, Safe Crime Resistant Communities	+	+	+	-	-
Environmental	6 - Flood Risk	0	0	0	0	0
	7 - Efficient Landed Use	-	-	-	--	--
	8 - Conserve and Enhance Biodiversity	-	-	-	-	-
	9 - Protect and Enhance Countryside	-	-	-	--	--
	10 - Protect and Enhance Historic Environment	0	0	0	0	0
	11 - Reduce Road Congestion	-	-	-	-	--
	12 - Reduce Waste Generation	-	-	-	-	-
	13 - Maintain and Improve Water Quality	-	-	-	-	-
Economic	14 - Increase Energy Efficiency	+	+	+	+	+
	15 - Encourage regeneration of Town and Village Centres	+	+	+	+	+
	16 - Ensure High and Stable Employment Levels	+	+	+	+	+
	17 - Support Economic Growth	+	+	+	+	++
	18 - Encourage Tourism	0	0	0	0	0

Pre-Submission SA (November 2015)		A 700 dpa	B 750 dpa	C 800 dpa	D 850 dpa	E 900 dpa	F 1000+ dpa
Social	1 - Decent and Affordable Home	+	+	++	++	++	++
	2 - Access to Health	+	+	++	+	+	+
	3 - Opportunities for Education	+	+	++	+	+	+
	4 - Access to Retail and Community Facilities	+	+	++	++	++	++
	5 - Cohesive, Safe Crime Resistant Communities	+	+	+	-	-	-
Environmental	6 - Flood Risk	0	0	0	-	-	-
	7 - Efficient Landed Use	-	-	-	--	--	--
	8 - Conserve and Enhance Biodiversity	-	-	-	-	-	--
	9 - Protect and Enhance Countryside	-	-	-	-	-	-
	10 - Protect and Enhance Historic Environment	0	0	0	0	0	0
	11 - Reduce Road Congestion	-	-	-	-	--	--
	12 - Reduce Waste Generation	-	-	-	-	-	-
Economic	13 - Maintain and Improve Water Quality	-	-	-	-	--	--
	14 - Increase Energy Efficiency	+	+	+	+	+	+
	15 - Encourage regeneration of Town and Village Centres	+	+	+	+	+	+
	16 - Ensure High and Stable Employment Levels	+	+	+	+	+	+
	17 - Support Economic Growth	+	+	+	++	++	++
	18 - Encourage Tourism	0	0	0	0	0	0

Pre-Submission SA (August 2016)		A 700 dpa	B 750 dpa	C 800 dpa	D 850 dpa	E 900 dpa	F 1000+ dpa
Social	1 - Decent and Affordable Home	-?	+	++	++	++	++
	2 - Access to Health	+	+	++	+	+	+
	3 - Opportunities for Education	+	+	++	+	+	+
	4 - Access to Retail and Community Facilities	+	+	++	++	++	++
	5 - Cohesive, Safe Crime Resistant Communities	+	+	+	-?	-?	-
Environmental	6 - Flood Risk	0	0	0	-?	-?	-?
	7 - Efficient Land Use	-	-	-	--	--	--
	8 - Conserve and Enhance Biodiversity	-?	-?	-?	-	-	--
	9 - Protect and Enhance Countryside	-?	-?	-?	-	-	-
	10 - Protect and Enhance Historic Environment	0	0	0	0	0	0
	11 - Reduce Road Congestion	-?	-?	-?	-	--	--
	12 - Reduce Waste Generation	-?	-?	-?	-?	-?	-?
	13 - Maintain and Improve Water Quality	-?	-?	-?	-	--	--
Economic	14 - Increase Energy Efficiency	+	+	+	+	+	+
	15 - Encourage regeneration of Town and Village Centres	+	+	+	+	+	+
	16 - Ensure High and Stable Employment Levels	+	+	+	+	+	+
	17 - Support Economic Growth	+	+	+	++	++	++
	18 - Encourage Tourism	0	0	0	0	0	0





**Nathaniel Lichfield  
& Partners**

Planning. Design. Economics.

**Mid Sussex District Plan**

**Housing Trajectory Review**

Wates Developments

November 2016

15322/MS/MT

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## 1.0 Introduction

1.1 This report is prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Wates Developments to support the Examination into the Mid Sussex District Plan. It provides a review of the housing trajectory and five year land supply position which underpins Mid Sussex District Council's Plan. In particular it seeks to review the, reasonableness, likely deliverability and timescales associated with the components of supply which the Council has identified.

1.2 The report is set out as follows:

- **Section 2** provides a precis of the Council's stated position as set out at the commencement of the Examination;
- **Section 3** provides some contextual analysis of site lead-in times and build-out rates, both in Mid Sussex and nationally;
- **Section 4** reviews the Council's housing trajectory and identifies any areas or sites where it should be amended based on current evidence;
- **Section 5** reviews the position and assumptions in respect of the five year housing land supply position; and
- **Section 6** draws this together into a conclusion.

1.3 The appendices transparently set out the data upon which conclusions within this report are based. A schedule of sites, with a revised trajectory based on NLP's assumptions is included.

2.0

## Council's Housing Trajectory

2.1

The Council's evidence on housing supply underpinning the District Plan is primarily contained within the Housing Implementation Plan (HIP) dated August 2016 (Document ref: BP18). This updates and consolidates earlier annual monitoring data from the Council and, crucially, contains the Council's only assessment of its five year housing land supply. The Council has further sought to update and justify its assumptions in respect of the housing trajectory in its response to the Inspector's initial question (Ref: MSDC1), albeit this does not present a consolidated version of the housing trajectory. In the absence of this, our report seeks to bring the varying information from the Council together into a comprehensive and singular trajectory for ease of examination.

### Housing trajectory (2014-2031)

2.2

The HIP sets out the housing trajectory for the plan period 2014 to 2031 in graph format on page 3, which is also proposed to be inserted into the plan as a modification at Appendix A (BP1). This is supplemented with a table at Figure 3 which provides a breakdown of the housing supply. This table is largely similar to the one provided within Plan Policy DP5 (Page 29 of BP1). It is recreated in a summarised form below.

Table 2.1 MSDC Housing Trajectory Breakdown by Type

<b>Total Housing Requirement</b>	<b>13,600</b>
<b>Supply</b>	
Completions 2014/15 & 2015/16	1,498
<b>Existing Commitments</b>	
<i>Which is made up from:</i>	
Large allocated sites without planning permission	372
Neighbourhood Plan allocations without planning permission	319
Large sites with planning permission (outstanding on sites of 6 or more)	4,282
Small sites with planning permission (less than 6 units; total discounted by 40%)	317
<b>Total existing commitments</b>	<b>5,290</b>
Strategic development north and north-west of Burgess Hill (Policy DP9)	3,500
Strategic development at Pease Pottage (Policy DP9a)	600
Potential windfalls on sites under 6 units	450
SHLAA sites (identified as deliverable within years 1-5)	239
Residual amount to be delivered through future Neighbourhood Plans and a Site Allocations Document	2,023
<i>Of which already accounted for in 'new' NP allocations (see table appendix 1):</i>	<i>1,397</i>
<i>Of which 'still to find':</i>	<i>626</i>

Source: HIP Figure 3 and Appendices

- 2.3 The HIP is supported by a schedule of completions and a schedule of commitments as at 1<sup>st</sup> April 2016. This has formed the basis of NLP's review of the housing trajectory.
- 2.4 The HIP at para 4.5 and within Appendix 3 identifies that Neighbourhood Plans will be an important element of the supply of land brought forward. Appendix 3 identifies that between 2,008 and 2,022 'new units allocated' will be brought into the planned supply through Neighbourhood Plans by the end of 2016. 'New units allocated' (or 'new commitment') is used by MSDC to define those sites in Neighbourhood Plans (NP) which were not already counted in the commitment schedule. However, not all of these will count towards the residual amount required for the trajectory as some sites would be double counted as they are already within other parts of the trajectory. This includes by way of example:
- a Sites already identified under the 'Neighbourhood Plan allocations without planning permission' category;
  - b Sites already identified as commitments, but which the Council also classify as 'new commitments' such as the Martletts redevelopment (142 units);
  - c The Land at Hurst Farm site within the Haywards Heath NP which is partly including in the housing trajectory as a deliverable SHLAA site for 150 units, leaving only 200 units (of the 350 total) as 'new'; and
  - d Small site neighbourhood plan allocations, which total 26 units combined. These may by their very nature, be already captured in the small site windfall allowances made within the trajectory as they are typically smaller infill type developments that could contribute to that source of supply.
- 2.5 Taken together, it is estimated that of the 2,023 units 'residual amount to be delivered' 1,397 units have already been earmarked in Neighbourhood Plan allocations which have subsequently come through the system and were not previously identified already within the trajectory. These are identified in the schedule within Appendix 1 of this report (highlighted in red). Based on NLP's review, this leaves a 'still to find' figure based on MSDC's own trajectory of 626 dwellings to be delivered through the remaining Neighbourhood Plans (Slaugham and Copthorne) and the Site Allocations DPD.

### **Five year land supply (01<sup>st</sup> April 2016-31<sup>st</sup> March 2021)**

- 2.6 The HIP identifies a five year housing land supply of **5.02 years** for the District Plan, a surplus of 22 dwellings. This is based upon a five year housing land supply calculation which:
- a Utilises the District Plan annual housing requirement of 800 dwellings per annum (dpa);
  - b Applies a 20% buffer as MSDC accepts that there has been a record of persistent under-delivery; and

- c Adopts the ‘*Liverpool*’ (residual) method for dealing with the shortfall from the first two years of the plan, citing local circumstances including that 800dpa is a challenging target and that lead-in times/infrastructure delivery combined with a development strategy which spreads development across the plan period is justification for such an approach.

2.7 The five year housing land supply breakdown is summarised below.

Table 2.2 MSDC five year housing land supply

Component	Dwellings
<b>Requirement</b>	
District Plan housing requirement 2015-2020	4,034
Note: based on residual amount of 12,102 divided over 15 years remaining of Plan	
<b>Housing requirement with 20% buffer applied</b>	<b>4,841</b>
<b>Supply</b>	
<b>Commitments</b>	
Large sites where development has commenced	1,573
Large sites with planning permission where development has yet to commence	1,870
Large allocated sites without planning permission	199
Sites identified in the SHLAA	239
Small sites with planning permission (with 40% discount applied)	317
District Plan allocation at Burgess Hill	515
District Plan allocation at Pease Pottage	150
<b>Total Housing Supply in years 1 – 5</b>	<b>4,863</b>
Five year supply	5.02 years
Surplus over period	22

Source: HIP Figure 5

- 2.8 The five year land supply is made up of a number of sites which are individually listed within Appendix 3 of the HIP. However, there is one anomaly between the table and position presented in the main body of the HIP and the schedules within the HIP appendix, relating to the Land adjacent Cookhams site (16 units) which appears in the appendix to contribute to the five year land supply but in the main table is not included in the total under ‘Large allocated sites without planning permission’. It is unclear why this is the case.

## Council’s MSDC1 Update (September 2016)

- 2.9 The Council has sought to update its housing trajectory evidence within its response to the Inspector’s initial questions. This is contained within the MSDC1 correspondence document, which is dated September 2016, a mere month or so after the HIP. The MSDC1 update contains at its annexes additional information in respect of updates since the 1<sup>st</sup> April 2016 position. The majority comprise updates on sites already identified and accounted for within the trajectory (or identifying those not yet sufficiently progressed to be properly included within trajectory, such as those sites subject to ongoing appeals). However, for the purpose of this review, one point of relevance is the

additional 515 dwellings which Annex A identifies is now deliverable in the five year supply following further neighbourhood plan activity.

2.10

Applying this to the five year period would, on the Council's own calculation, increase supply to 5,378 dwellings in the five year period, a surplus of 547 dwellings and representing a five year land supply of 5.57 years.

## Lead-in Times and Build-out Rates

3.0

3.1

Underpinning the District Plan housing trajectory is a range of assumptions and judgements on how quickly sites will come forward (lead-in times) and then how quickly they will deliver new homes (build-out rates). By way of example, by far the largest single component of Mid Sussex' housing trajectory is the North Burgess Hill allocation which is projected to begin delivering new homes by 2018/19 and is anticipated to deliver 3,500 homes over the plan period with build rates up-to 336 dwellings per annum and an average delivery of 270dpa over the build-out period. If this allocation were not to come forward as quickly or deliver more slowly once it has started, it would inevitably lead to a shortfall in the overall housing trajectory.

3.2

Large strategic housing schemes typically experience long lead-in times, with long periods between initial identification/promotion, allocation and/or applications and then development getting off the ground, with houses being completed on site. Particularly in the case of very large strategic sites comprising thousands of units, they are not a short-term or quick solution to housing land supply. Additionally, the rate at which sites can be built out are affected by range of factors from how quickly developers can sell, to availability of materials and labour, to practical site issues such as access and phasing. Therefore, properly evidenced assumptions on lead-in times and build-out rates are necessary to ensure the trajectory is justified.

## National evidence and comparators

3.3

A wide range of research and evidence has been compiled at a national level on what actually happens on sites and as such what it is reasonable to assume going forward.

3.4

In evidence to the draft RSS14 (December 2004), for the East of England, Colin Buchanan undertook a study on behalf of Countryside Properties which looked at the issue of lead-in times and housing completion rates in detail, including looking at several case studies (Cambourne, Chafford Hundred in Thurrock, Church Langley in Harlow, Grange Farm in Suffolk Coastal, Hampton Southern Township in Peterborough and The Wick in Basildon). This study concluded that, even during a period of relative financial stability:

*“The overall rate of development that has historically been achieved from strategic sites overall is only as high as 200 dwellings per annum for individual sites. This is the average that has been achieved since 1980 in the region... The average time between application submission and the first year of build is 5 years. Local plan allocation does not directly affect lag time.”*

3.5

More recently, Savills' report 'Urban Extensions - Assessment of Delivery Rates' (October 2014) concluded that “commencement on the first phase of housing delivery is likely to be in the fifth year following the submission of the outline application” and that “*once construction starts and in a strong*

*market, annual delivery can be anticipated to be around 60 units in first year of construction, picking up to more than 100 units per annum in subsequent years and increasing to around 120 units.”*

- 3.6 NLP has carried out its own national research<sup>1</sup> which is both more recent and more comprehensive than earlier research, reviewing more than 150 strategic scale schemes. It concludes that lead-in times typically average c.3 years for smaller strategic sites (up-to 100 units) but that these increase to an average of c.7 years for larger strategic sites of more than 2,000 units. In respect of delivery rates annual build rates for smaller strategic sites (up-to 100 units) average c.30 units each year, but these increase to an annual average of c.160 units for larger strategic sites of more than 2,000 units.

- 3.7 Table 3.1 below draws upon some comparable large scale strategic schemes implemented in other parts of the wider South East. It demonstrates lead-in times of not less than 4 years, but typically as many as 7-10 years before first completions. It also highlights that average delivery rates have tended not to exceed an annual average of 250 units per annum, albeit outliers have been recorded up to 300 units per annum average elsewhere in the country.

Table 3.1 Past Delivery Rates/Lead-in Times of Strategic Scale Developments/New Settlements and Projected Delivery Rates

Strategic Development	Size	Lead-in Time	Start	Past Delivery Rate
Kings Hill (LPA: Tonbridge & Malling)	2,800	7 years	1993	141
Love's Farm (LPA: Huntingdonshire)	1,352	8 years	2009	243
Elvetham Heath, Fleet (LPA: Hart)	1,869	13 years	1999/00	175
Red Lodge (LPA: Forest Heath)	1,500	10 years	2006/07	200
Ingress Park, Greenhithe (LPA: Dartford)	1,150	7 years	2002	105
St Mary's Island, Chatham (LPA: Medway)	1,700	4 years	1997	82
Great Notley (LPA: Braintree)	2,000	4 years	2002	222
Cambourne (LPA: South Cambs)	5,500	10 years	1998/99	239

Source: NLP Analysis

- 3.8 This provides some context and reference point for the assumptions being made on such timescales and build-out rates being assumed within Mid Sussex District Council's trajectory, particularly in respect of the strategic sites. NLP has also looked at evidence from Mid Sussex itself.

## Lead-in times

- 3.9 To ensure appropriate assumptions about lead-in times can be made in Mid Sussex, NLP has conducted a review of sites which are identified as delivering housing within the formative years of the plan period for Mid Sussex and what timescales have been associated with bringing them forward. This encompasses all large sites of 35+ units commenced or completed as well as all large sites of 100+ units that have already achieved planning permission. This analysis is contained within Appendix 2.

<sup>1</sup> 'Start to Finish – how quick do large-scale housing sites deliver?', Nathaniel Lichfield and Partners (2016). <http://nlpplanning.com/nlp-insight?category=1>



- 3.10 This illustrates that absolute minimum lead-in times for Mid Sussex are c.2 years, with that typical for smaller sites for which full planning permission is granted (e.g. the South of The Old Convent site and Land at Chalkers Lane). Where outline permission is granted this increases to a minimum of c.3 years, however, there are many instances where timescales have been longer than these minimums, with two fifths of all sites in Mid Sussex reviewed having lead-in times of more than 4 years.
- 3.11 Despite many of the applications gaining planning permission on appeal, there does not appear to be an appreciably quicker lead-in time for those not determined on appeal. In both instances there are examples in Mid Sussex of the planning period (the time from submission to grant) being c.1 year up to c.3 years. All instances of planning periods longer than this were related to permissions granted by MSDC.
- 3.12 This would tend to support reasonable assumptions of lead-in times in Mid Sussex of between 2 and 3 years for smaller sites, but likely in excess of 5 years for the larger strategic sites allocated. In many instances it appears that housing delivery has been delayed on sites in Mid Sussex by long lead-in times associated with either the need to appeal an application or to achieve a grant of planning permission from the Local Planning Authority.

## **Build-out rates**

- 3.13 Recent local evidence on build-out rates is also contained within Appendix 2 for those same schemes. The sites for which completion data is available range in size from 40 units up to 570 units, but show a broadly similar profile of delivery on sites across the District. In general sites in Mid Sussex appear to be able to sustain maximum build rates in the order of c.35-45 units per annum. It is assumed most of these sites operated on the basis of a single outlet (i.e. one 'sales frontage') albeit on some site, such as Anscombe Wood and Bolnore Village higher rates in individual years up-to c.70-80 units suggest there may have been two outlets operational at times. These figures tend to be corroborated by the national picture as well as the often used industry rules of thumb which indicate a single outlet can deliver 30-50 units per annum, depending on market strength and amount of affordable housing.
- 3.14 MSDC are assuming within their housing trajectory delivery of c.50 units per annum on both the East of Burgess Hill site as well as the East of Pease Pottage site. This is at the upper end of any average delivery rate achievable on single outlet sites in Mid Sussex. A figure of 35-45 units per annum would appear to be a more reasonable assumption for similar sites which make up much of Mid Sussex' housing trajectory.
- 3.15 These evidenced assumptions on lead-in times and build-out rates have informed our review of the housing trajectory and five year land supply.

## 4.0 **Review of Housing Trajectory**

4.1 The NPPF sets out that LPAs should identify land supply in order to meet their objectively assessed need and that this should be based upon (para 159) realistic assumptions about the availability, suitability and economic viability of land over the plan period. The NPPF is clear that plans should be deliverable (para 173), and national policy states that in plan-making it is 'important to ensure that there is a reasonable prospect that planning infrastructure is deliverable in a timely fashion.' (para 177).

4.2 In order to ensure it is effective, the Mid Sussex District Plan needs to ensure its housing trajectory is sufficient to meet the housing needs of the District, maintain a rolling supply of deliverable land and retain flexibility in order to ensure the Plan's housing requirement is met.

### **Delivery of sites**

4.3 The majority of sites identified as making up the Council's housing trajectory comprises sites which, if allocated, there is no reason to believe they will not be developed at some point over the plan period. Our focus in terms of the overall housing trajectory has, therefore, been to address the likely delivery of the larger sites and sites where there are known issues.

### **Lead-in times and build rates for the strategic allocations**

4.4 There are three large strategic allocations proposed within the Plan:

- The Burgess Hill Northern Arc proposal with an assumed 3,500 dwellings within the plan period, an average build rate of c.270 dwellings per annum and a peak delivery rate of 336dpa;
- The Pease Pottage proposal with an assumed 600 dwellings within the plan period and an average build rate of 50 dpa; and
- The East of Kingsway proposal which has already commenced development for 400 dwellings and is assumed to build out at a rate of 50dpa.

4.5 Each is reviewed below.

#### **North and North West Burgess Hill - Northern Arc (DP9)**

4.6 Wates Developments are one of three main parties controlling the land subject to the Northern Arc strategic allocation, alongside Gleeson Developments and Rydon Homes. The Council's housing trajectory (BP18 page 3) assumes delivery on the Northern Arc will commence by 2018/19 with 172 dwellings delivered in the first year. Very limited evidence is given to support this in the HIP (BP18 para 5.5) with similarly limited commentary provided in the Council's response to the Inspector's initial questions (MSDC1 page 15).

- 4.7 Wates Developments, as one of the promoters behind the proposal, is well placed to comment on the deliverability and timescales for this development, with evidence having been shared with the Council in a letter dated 2<sup>nd</sup> November 2016 on anticipated phasing. Wates considers the Council's assumptions on lead-in times and delivery rates within the Plan are currently hugely optimistic and ultimately unfounded. Although Rydon Homes has recently submitted an outline application for a small initial phase (130 dwellings), we understand this is solely due to a contractual obligation, and there is little immediate prospect of this application being capable of securing a permission with signed s.106 that would then be capable of being implemented; this remains a complicated site with a number of substantial issues to resolve before housing can be delivered, as set out in the letter to the Council.
- 4.8 In the context of the previous evidence in Mid Sussex that strategic sites face a lead-in time of c.5 years from first application to first completions, there is no evidence and little confidence that the northern arc proposal can significantly shorten lead-in times. In the circumstances of the Northern Arc, any early applications are not an indicator of likely early delivery on the site of any substantial nature, as is suggested by the Council (MSDC1 page 15). This is particularly the case where there are equalisation agreements to be negotiated, Section 106 agreements to be signed, reserved matters to be completed, conditions to be discharged and opening up works to be completed, all of which will contribute to lead-in times. It is considered that, for these reasons, the earliest conceivable delivery will be in 2018/19, reflecting a conservative three year lead in time.
- 4.9 Looking to delivery rates, the Council's assumed delivery rates (average 270dpa but peaking at 336dpa for five years) appear overly optimistic in the context of the evidence of previous delivery rates and in the absence of any specific evidence to support how a higher rate would be achieved. The Northern Arc consortium are assuming delivery of 2,755 dwellings within the plan period, with an average rate of c.210 per annum and peak rates of c.290 per annum. Our research shows that few strategic developments deliver more than c.250 dwellings per annum averaged over their lifetime. Based on average delivery rates seen per outlet in Mid Sussex of 35-45 dpa, an average rate of c.210dpa with a peak rate of 290 dwelling per annum would indicate up to 6-8 outlets across the northern arc, which would appear reasonable in peak years given the three developers involved (two being housebuilders in their own right). Conversely the Council's assumed peak sustained delivery of 336dpa would necessitate up to 10 active outlets all delivering at the same time from this single allocation. This appears a remote prospect indeed.
- 4.10 The implication of this for the housing trajectory is that the full 3,500 dwellings to be delivered within the plan period represents an unjustified assumption. It is considered that adopting a reasonable lead-in time and adopting the trajectory set out by the consortium reduces the overall delivery from the northern arc within the plan period to 2,755 dwellings; 745 units less than the Council are currently relying upon for their housing trajectory.

**Pease Pottage (DP9A) and East of Kingsway (DP9)**

- 4.11 The Land East of Pease Pottage site and East of Kingsway site both are assumed to achieve build rates of approximately 50dpa which appear to be ambitious but not impossible. The East of Kingsway site has already commenced development, following a lead-in time of over 4 years, with the original outline planning application submitted in April 2014. There is nothing to suggest it will not deliver the new homes at the rate indicated.
- 4.12 In respect of Pease Pottage, planning applications are currently pending for the development having been submitted in late 2015. There continues to be fundamental questions over the suitability of the Pease Pottage site as an allocation for 600 homes given the situation of the site within an Area of Outstanding Natural Beauty (AONB). We do not elaborate on this here, however, were the site allocation to be found unsound and consequently removed from the housing trajectory, this would reduce the supply of the Plan by 600 units. The trajectory assumes this site could start delivering housing in 2018/19, which could be reasonable only if the Local Plan allocation is adopted without delay; any early decision in advance of Local Plan adoption is likely to face call-in to the secretary of state and further consequent delay.

**Former Sewage Treatment Works Site**

- 4.13 The former sewage treatment works site, Burgess Hill, was granted outline planning permission in June 2014 following an application submitted in May 2008. The applicant (Glenbeigh Developments) was a promoter of land rather than a developer who builds and sells houses. Whilst the site is not considered wholly unsuitable, in planning terms, for development there are a number of factors that mean it is likely to not be deliverable at any point over the plan period. In particular:
- a The site is adjacent a Gypsy and Travellers site, a household waste recycling site and a concrete plant. Each is to continue to operate with the residential development required to maintain access through the estate to these uses, representing a blighting factor; and
  - b There are significant clean-up costs associated with the demolition and remediation of the site which continues to house the concrete pits and beds of the former sewage treatment works.
- 4.14 In combination these factors make the site highly unattractive for house builders to take on and ultimately unviable due to the cost and value implications of the above, and the impacts the above have on the saleability of new homes. It is a site that would represent a high investment risk, vulnerable to market fluctuations, with housebuilders unwilling to stake their limited capital on such sites. We understand the site has been considered by at least one housebuilder and rejected. Indeed we understand this site has been marketed continuously since it achieved outline planning permission, with no buyer found. Ultimately it is not a proposal - nor site allocation - that the Council can rely upon as being developable at some point in the future as part of its

housing trajectory. It is considered a cautious approach should be adopted and all 325 units from this site should be excluded from the likely supply.

## **Other Amendments**

4.15

There are a number of other small amendments necessary to the figures contained within the overall HIP trajectory:

- a The Land South of Rocky Lane (#496) allocation within the Haywards Heath Neighbourhood Plan has been increased in scale from 150 dwellings to 190 dwellings;
- b The Station Yard/Car Park Burgess Hill is identified for 150 units in the HIP, but is similarly only identified for an overall gross delivery of 100 units in the commitment schedule. The existing allocation on the site (BP3) is only for 60 dwellings, whilst the Neighbourhood Plan similarly identifies the site as a commitment for 100 homes. On this basis, and given the inconsistency in the Council's evidence, NLP has assumed the site is suitable for 100 homes only;
- c Land at Leylands Park (North of Faulkners Way) Burgess Hill (#88) is a previous underlivered local plan allocation, which is now being subsumed into the Northern Arc proposals. It has been removed from the trajectory (20 dwellings) to avoid double counting with the northern arc;
- d 1-25 Bell Hammer, East Grinstead (#696) is being promoted for a C2 sheltered housing scheme, rather than conventional housing and the three dwellings identified should be removed from the trajectory;
- e Queens Walk, East Grinstead (#768) has an application pending for 129 dwellings, rather than the 120 identified in the HIP; and
- f Downlands Park (#750) is allocated in the Haywards Heath Neighbourhood Plan for 20 bungalows for C2 (residential institution) use. It is not clear from the policy what level of care is envisaged as what degree of self-containment these units would benefit from. The design and element of care would clearly need to be enough to establish these as C2 use. As the needs of C2 use are not established in the calculation of objectively assessed needs (OAN), and given the uncertainty on what need these units would be meeting, they should not be included on the supply side and should therefore be discounted.

4.16

Combined these changes equate to a reduction in overall supply of 44 dwellings.

## **Flexibility and security of land supply**

4.17

The housing trajectory allows for limited flexibility in meeting the proposed 13,860 housing figure. As set out in the HIP (BP18, Figure 1, page 1) the plan is proposed to make provision for exactly 13,600 dwellings over the plan period 2014-2031. This means that if any single component of supply does not come forward, or if, for example, the strategic sites falls behind the timescales

indicated in the trajectory the housing figure is unlikely to be fulfilled and the housing needs will not be met.

- 4.18 The NPPF sets out at para 14 that Local Plans should retain “*sufficient flexibility to adapt to rapid change*”. In practice this means ensuring a housing trajectory has sufficient land supply across the plan period so that it can adjust and accommodate any unforeseen circumstances. Critically, this means that to achieve a housing requirement a Local Plan must release sufficient land so that there is an appropriate buffer within the overall planned supply. This is separate from a buffer on the 5 year land supply (which is not additional but simply brought forward from later in the plan period) but performs a similar function in allowing some headroom to ensure that at a minimum the target is met.

## **Concluded housing trajectory**

- 4.19 Drawing upon the above, we consider that the housing trajectory for Mid Sussex across the plan period is deficient, with the plan failing to identify sufficient sources of supply to meet its housing needs over the plan period 2014-2031. This is illustrated in Table 4.1 which shows the supply against the housing requirement. In particular it shows the ‘still to find’ residual which is the amount of new housing which MSDC state will be deferred to future neighbourhood plans and/or a Site Allocations DPD. Whilst under MSDC’s assumed trajectory this is relatively small scale at 684 dwellings, under NLP’s trajectories this increases to between 2,267 dwellings and 6,267 dwellings. This scale of ‘still to find’ allocations would be wholly unreasonable to assume could adequately be dealt with by way of future neighbourhood plans (of which only two more are within the pipeline) or Site Allocations plans. The scale of shortfall in the trajectory for the plan period is significant, strategic in scale and would require this Local Plan to make additional allocations. This is necessary in order to address the scale of the shortfall and ensure that a supply of specific sites or broad locations is available for the whole plan period as required by NPPF para 47.
- 4.20 It is concluded that, even on MSDC’s own housing requirement, the Local Plan fails to make appropriate provision for sufficient housing to meet the housing requirement, with more clarity and further site allocations required within this plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Table 4.1 MSDC Housing Trajectory Breakdown by Type

	MSDC	NLP (MSDC Target)	NLP (with NLP OAN)	NLP (OAN w/o Pease Pottage)
<b>Total Housing Requirement</b>	<b>13,600</b>	<b>13,600</b>	<b>17,000</b>	<b>17,000</b>
<b>Supply</b>				
Completions 2014/15 & 2015/16	1,498	1,498	1,498	1,498
<b>Existing Commitments</b>				
<i>Which is made up from:</i>				
Large allocated sites without planning permission	372	372	372	372
Neighbourhood Plan allocations without planning permission	319	319	319	319
Large sites with planning permission (outstanding on sites of 6 or more)	4,282	3,957	3,957	3,957
Small sites with planning permission (less than 6 units; total discounted by 40%)	317	317	317	317
<b>Total existing commitments</b>	<b>5,290</b>	<b>4,965</b>	<b>4,965</b>	<b>4,965</b>
Strategic development north and north-west of Burgess Hill (Policy DP9)	3,500	2,265	2,265	2,265
Strategic development at Pease Pottage (Policy DP9a)	600	600	600	0
Potential windfalls on sites under 6 units	450	450	450	450
SHLAA sites (identified as deliverable within years 1-5)	239	239	239	239
Other <b>NLP amendments</b> on identified sites:	~	-44	-44	-44
Residual amount to be delivered through future Neighbourhood Plans and a Site Allocations Document	2,023	3,137	6,537	7,137
<i>Of which already accounted for in 'new' NP allocations (see table appendix 1):</i>	<i>1,397</i>	<i>1,397</i>	<i>1,397</i>	<i>1,397</i>
<i>Of which 'still to find':</i>	<i>626</i>	<i>1,740</i>	<i>5,140</i>	<i>5,740</i>

Source: HIP Figure 3 and Appendices

## 5.0 Review of 5 Year Housing Land Supply

- 5.1 The NPPF sets out (para 47) that Local Planning Authorities should demonstrate a five year supply of housing (including an additional buffer) and that this should be maintained throughout the plan period. Upon adoption, it is crucial that the Mid Sussex Local Plan has a robust five year supply of housing land.

### Housing requirement

- 5.2 Considering the Council's total District Plan housing requirement of 13,600 (800dpa), the Council identifies needs to be a five year housing land supply for 4,841 homes for the period 2016/17 to 2020/21. This is calculated using the 'Liverpool' approach to housing shortfall (spreading the backlog over the remainder of the plan period) as well as applying a 20% buffer. NLP consider the proposed housing requirement would not meet the objectively assessed housing needs (OAN) of the District, let alone make contribution to the unmet needs of other parts of the housing market area. This is set out within NLP's separate review of OAN which concludes that the OAN for Mid Sussex is 1,000 dwellings per annum.
- 5.3 The following reviews the key components of the Council's stated position from their Housing Implementation Plan (HIP, August 2016) (table 2.2) and their later update and justification of their housing trajectory in MSDC1. The Council has used a base date of 1<sup>st</sup> April 2016.

### 20% buffer

- 5.4 The Council acknowledge that they have had persistent under delivery of housing and as such apply a 20% buffer instead of a 5% buffer to their 5 year housing land supply, as required under paragraph 47 of the NPPF, in order to:
- 'Provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.'*

The buffer is supply that is brought forward from later in the plan period and is not therefore net additional to the housing requirement in any way.

- 5.5 The table below illustrates Mid Sussex's housing completions between 2006/07 and 2015/16, highlighting whether the Council had a surplus or a deficit against the applicable housing requirement for that year. This fundamentally supports the application of a 20% buffer due to both the cumulative scale, persistence and severity of the under-delivery against past requirements. It should be noted that against NLP's OAN figure (1,000dpa) even the 2015/16 completion figure (868 homes) would have been an under-delivery.



Table 5.1 Housing Completions in Mid Sussex District 2006/07-2015/16

Year	Total Completions	Annual Housing Requirement	Surplus/Deficit	Source
2006/07	337	855	-518	South East Plan
2007/08	502	855	-353	South East Plan
2008/09	480	855	-375	South East Plan
2009/10	353	855	-502	South East Plan
2010/11	179	855	-676	South East Plan
2011/12	522	855	-333	South East Plan
2012/13	749	855	-106	South East Plan
2013/14	536	855	-319	South East Plan
2014/15	630	800	-170	Submission Core Strategy
2015/16	868	800	+68	Submission Core Strategy
<b>Total</b>	<b>5,156</b>	<b>8,440</b>	<b>-3,284</b>	~

Source: Mid Sussex District Housing Implementation Plan

## Liverpool versus Sedgefield

5.6 In their HIP (August 2016), the Council identify three key justifications for using the 'Liverpool' method to address their housing shortfall:

- 1 They are required to deliver 800 homes a year, which will be challenging based on the historic level of completions in the District;
- 2 Their development strategy is reliant upon two large strategic sites (north Burgess Hill and Pease Pottage). These will both have longer lead-in times and regular delivery rates per annum and are therefore unlikely to deliver a large proportion of dwellings in the 5-year period.
- 3 Parishes have stated in their Neighbourhood Plans that allocated sites should be delivered over the whole plan period and have also indicated a general preference for all housing delivery to be steady over the plan period.

5.7 In the Council's response to the inspector's initial questions (MSDC1), they further justify their use of the Liverpool method, stating additional reasoning such as the fact that a 20% buffer is already included and the lack of sites available for delivery in the first 5 years.

5.8 The PPG (ID3-035) states a preference for housing undersupply to be dealt with in the first 5 years of the plan period (the 'Sedgefield' approach). This is particularly important because housing requirements are not simply abstract figures, they relate to real households and housing needs, with undersupply simply meaning those needs are going unmet at the current point. Having an undersupply of housing highlights that there is a need for more housing now. Therefore the Council should seek resolve this as soon as possible in order to ensure peoples housing needs are met in a timely fashion and when they arise, rather than push the problem to later in the plan period and condemning households to continued sub-optimal housing outcomes for many years to come. This is the general thrust behind the PPG's clearly stated preference.

5.9 In respect of the Council's reasoning for the 'Liverpool' method, this is not sufficient to robustly justify delaying housing provision. In particular:

- 1 800 homes per annum as a target is not unduly challenging. It has been achieved recently (2015/16), is a level of housing delivery for which there is clearly underlying structural need and demand in the housing market area and is consistent with the NPPF aim to significantly boost housing supply. By not allocating/releasing sufficient land to at least meet the target will only guarantee the targets are not met (as has been the case historically in Mid Sussex);
- 2 The reliance on two strategic sites, whilst clearly having benefits in terms of infrastructure delivery and long term security of supply once they begin to deliver, should not be adopted at the expense of a range of smaller and mid-sized sites as part of a varied spatial strategy. The risks of placing 'too many eggs in too few baskets' are clear and the appropriate response is not to simply delay delivery of housing by managing the trajectory/five year supply, but to proactively and positively plan to meet the needs that exist now;
- 3 The 20% buffer is to ensure that, as a minimum, the five year target including backlog is met given past performance. It is not a mechanism the NPPF intends to be mutually exclusive with the Sedgefield approach; and
- 4 The range of development interest in the District and responses to the various stages of consultation within the Local Plan process suggests there are numerous additional sites that would be available for delivery within the 5 year period were they to be allocated within the Plan.

5.10 Considering the persistent under delivery in the District that has afforded a 20% buffer instead of a 5% buffer on their five year housing land supply, there is arguably an even greater need for the Council to resolve its undersupply of housing as early in the plan period as possible, instead of delaying and thus even further worsening the situation.

5.11 Applying the Liverpool approach would ultimately go against the aims of the NPPF to significantly boost the supply of housing and would result in a District where families will be unable to afford to buy their own homes and the Council will continue to be unable to meet the needs of their District for an extended period of time. NLP consider there is insufficient justification for adopting the Liverpool approach in Mid Sussex and the Sedgefield approach should be applied.

## Housing supply

5.12 The following sections review the sites included within the HIP (August 2016) and MSDC1 document to assess whether they are deliverable in the 5 year period. 'Deliverable' is defined in footnote 11 of the NPPF as sites which are available now, suitable now and achievable (including whether they are viable).

## Site specific circumstances

- 5.13 The key issues arising from the Council's five year housing land supply position are identified below under seven different categories. These are: sites only identified in the SHLAA but not allocated in any plans; sites not available now (as specified under footnote 11 of the NPPF); sites where there is evidence that there has been a lapse of planning permission; the Northern Arc strategic allocation; the former sewage treatment works site; the 'additional' sites from neighbourhood plans included by the Council in the MSDC1 document; and, any other miscellaneous updates and errors included in the five year housing land supply.

### SHLAA sites

- 5.14 The Council list five sites in their HIP which were identified in the SHLAA (April 2016) but are not allocated in the emerging Local Plan. In total these sites are expected to deliver 239 dwellings in the five year period.
- a Hook Place, Cuckfield Road, Burgess Hill (SHLAA #668) had a planning application submitted for 8 dwellings on the site on 18<sup>th</sup> December 2015. It is yet to be determined, but the Council state in their HIP (August 2016) that they believe it to be deliverable. The delay in approving planning permission is because the S106 agreement is yet to be signed.
  - b Land adj to Greenstede House, Wood Street, East Grinstead (SHLAA #729) had planning application refused for 11 dwellings on 13<sup>th</sup> August 2015. This was mainly due to the proposal's harm to the amenities of adjacent occupiers, the design was not of a high standard and the lack of a signed S106 agreement. The Council believe these issues can be overcome in a future application for 10 dwellings.
  - c Hurst Farm, Hurstwood Lane, Haywards Heath (SHLAA #246) is owned by the Council and in the HIP (August 2016) believed to be capable of delivering 150 homes in the 5 year period. It is also allocated in the emerging Haywards Heath Neighbourhood Plan.
  - d The Priory, Syresham Gardens, Haywards Heath (SHLAA #732) had an application for 53 new flats was refused on 5<sup>th</sup> August 2016, while a new application for the same level of development was submitted to the Council on 12<sup>th</sup> October 2016. The original application was refused on the grounds that the design, height, bulk, form and footprint of the new building (to house 12 of the new dwellings) would cause substantial harm to the setting of the listed chapel. The Council are only assuming delivery of 41 units on this site, presumably to overcome the issues of scale and consequential impact on the listed chapel.
  - e Land to the north of Rocky Lane, Haywards Heath (SHLAA #745) had an application for 30 dwellings approved on 14<sup>th</sup> October 2016 (DM/15/5107).
- 5.15 In summary, these sites can largely be considered deliverable against footnote 11 of the NPPF as there is limited reasons why they could not achieve the

delivery envisaged. Notwithstanding, it is unclear why, if such reliance is placed on these sites, they are not being allocated now, rather than delaying their allocation to a Site Allocations DPD, which could ultimately delay their delivery within the five years, if promoters await the clarity which an allocation brings.

### **Sites not available now**

- 5.16 There is one site included within the Council's 5 year housing land supply in their HIP (August 2016) which is not available now and therefore is not deliverable under footnote 11 of the NPPF.
- 5.17 Land at Victoria Road (North), Burgess Hill (SHLAA #544) is largely in industrial use at present therefore the majority of the site is not available now for 80 dwellings. Furthermore the SHLAA (April 2016) defines the site as being deliverable in 11+ years.

### **Lapses on large sites**

- 5.18 The HIP does include any lapse rate on large sites. It assumes all large sites with planning permission as at the start of the five year period will come forward. Notwithstanding, subsequent to the start of the five year period, the following sites have lapsed or have potentially lapsed based on the evidence found:
- a 1-25 Bell Hammer, East Grinstead (SHLAA #696) planning permission for 28 sheltered units lapsed on the 15<sup>th</sup> October 2016. There is no evidence that work had commenced before this on the 3 dwellings expected. Furthermore this permission was wholly for sheltered housing and as such is C2 use; it is unclear where the 3 dwellings would have arisen from. As C2 use is not calculated in the objectively assessed needs (OAN) it should not be included in the supply.
  - b Home, 3 Cantelupe Mews, East Grinstead (SHLAA #766) needed to commence before 30<sup>th</sup> May 2016 in order not to lapse. There is no evidence to suggest that this commenced before that date.
  - c Burns House, Harlands Road, Hayward Heath (SHLAA #708) has prior approval for 8 apartments on the third and fourth floors of the office building. This would have lapsed on 30<sup>th</sup> May 2016 if work had not commenced. In particular the company Medserv Ltd states that its offices are located on the fourth floor and as such there is strong evidence that the permission lapsed.
- 5.19 Whilst the netting off of these sites would potentially be moving the five year period on to a new base date (with these lapses potentially replaced by new permissions subsequent to start of the five year period) they do highlight that lapses do occur and it is unlikely all large sites will come forward. Furthermore, for Burns House and Bell Hammer, there are clear other reasons which they should not be considered deliverable despite permission having lapsed. On this basis the above two sites total at least 11 dwellings that at present are

unlikely to come forward in the schemes under which the Council included them in their five year housing land supply (HIP, August 2016). Even then this is a conservative position on likely allowance for lapses on large sites with permission.

### **Northern Arc**

- 5.20 The Council believe the strategic allocation of the Northern Arc can deliver 515 homes in their five year housing land supply in the HIP (August 2016).
- 5.21 Scoping opinions were requested for both the eastern and western parts of the Northern Arc in September 2014. The Northern Arc has been divided into three sections (East, Central and West) for three separate planning applications by the developers.
- 5.22 A scoping request was submitted in September 2016 for the 'East Development' of the Northern Arc. This part would deliver up to 460 dwellings.
- 5.23 There was also an outline planning application submitted for 130 dwellings (application no. DM/16/3947) in September 2016. These 130 dwellings also form part of the east development. The Council also indicated in MSDC1 that they were in pre-application talks for a second application of 450 dwellings (which includes the 130 dwellings of the outline application). They believe as a result of this 100 dwellings will have been delivered by 2018/19, with 515 dwellings delivered by the end of the five year period.
- 5.24 It can be considered that the Council's inclusion of 515 dwellings in the next five years is extremely unlikely to be delivered. The application for 130 dwellings is yet to be determined and only at outline stage, while the application for 450 dwellings is only at pre-application stage. There are also various other issues associated with its delivery previously mentioned in section 4 which cast significant doubt over completions coming forward at the scale envisaged in the short term.
- 5.25 As such, the Northern Arc allocation is only likely to deliver 255 dwellings in the five year period based on modest first completions in 2018/19.

### **Former Sewage Treatment Works, Burgess Hill**

- 5.26 As set out above, it is not considered that the former sewage treatment works site can be considered developable over the plan period. For the same reasons it is considered it is not deliverable within the first five years as despite having planning permission, there are clear indications that it will not viably come forward at the current time and there is no housebuilder on board to bring the site forward. On this basis all 150 dwellings assumed by MSDC to be within the five year land supply should be discounted.

### **'Additional' Neighbourhood Plan supply identified in MSDC1**

- 5.27 The following sites are new sites allocated in neighbourhood plans and identified as being deliverable in the 5 year period in the MSDC1 document.

The sites listed here are considered to be unable to deliver the housing numbers specified in that document.

- a Land south of Rocky Lane and west of Weald Rise and Fox Hill Village (SHLAA #496) is listed in the MSDC1 for 190 dwellings, however, in the HIP it was only listed for 150 dwellings. This is because through the Haywards Heath Neighbourhood Plan examination the inspector opted to increase the density on this site to achieve 190 dwellings. Whilst it is acknowledged this site will likely deliver more, given lead in times it is unlikely that all 190 dwellings will be delivered in the five year period and as such it is continued to be assumed that 150 dwellings can be delivered in the five years;
- b Harlands Road Car Park (SHLAA #744) is identified for 40 units in the five year supply. However, the site is identified as being currently in use as a public car park and is therefore not available now, and cannot therefore be classified as deliverable; and
- c Downlands Park (SHLAA #750) is allocated for C2 (residential institution) use. As set out previously, this site should be excluded.

5.28

A number of sites were also originally considered to be deliverable in the 6-10 year period in the SHLAA (April 2016), but are now set to come forward in the five year period, presumably as a result of their allocation. A summary of all the sites in the MSDC1 list is provided below.

Table 5.2 Mid Sussex Update to Housing Supply

Neighbourhood Plan	Site	Council's Addition to 5 year supply	NLP's position	Difference	Comments
Ashurst Wood	<i>Small sites</i>	11	11	0	No obvious issues.
Balcombe	Balcombe House	14	14	0	Site was considered developable in 6-10 year period in SHLAA (April 2016).
	Barn Field	14	14	0	Site was considered developable in 6-10 year period in SHLAA (April 2016).
Bolney	Queens Pub	30	30	0	Site was considered developable in 6-10 year period in SHLAA (April 2016).
	Bolney House	5	5	0	No obvious issues.
Albourne	<i>Small sites</i>	2	2	0	No obvious issues.
East Grinstead	Town Centre	129	129	0	Queens Walk/Martells Department Store in town centre allocated for 120 dwellings in the NP and for 100 dwellings in 6-10 year period in the SHLAA (April 2016). Pending application is for 129 units.
	Ashplatts	45	45	0	Site was considered developable in 6-10 year period in SHLAA (April 2016).
Haywards Heath	Rocky Lane	190	150	-40	To deliver 190 dwellings in the Haywards Heath NP, but not all likely to be in 5 year period due to lead-in times.
	Beech Hurst	15	15	0	No obvious issues.
	Harlands Road	40	0	-40	The site is not available now and is therefore not deliverable in the 5 year housing land supply.
	Downlands Park	20	0	-20	Allocated for 20 bungalows (C2 use) in the Haywards Heath NP.
<b>Total</b>	<b>~</b>	<b>515</b>	<b>415</b>	<b>-100</b>	<b>~</b>

Source: MSDC1/NLP analysis

### Other miscellaneous updates and errors in 5 year land supply

5.29

There are a number of other miscellaneous updates and errors in the information contained within the HIP, including:

- Land at Holly Farm, Copthorne Way (SHLAA #268) is identified for 50 dwellings (net), however, the extant outline planning permission (14/04662/OUT) is only for 45 dwellings (net);
- Land off Kings Way, East of Gerald Close (SHLAA #46) is identified for 64 dwellings (net), however, the outline planning application which has a resolution to grant (DM/15/4379) is only for 63 dwellings (net);
- As mentioned above, land adjacent to Cookhams, south of Top Road, Sharpthorne (SHLAA #477) appears to have been left out of the five year housing land supply table in the HIP (August 2016) under 'Large

allocated sites without planning permission'. The total there is 199 dwellings, however appendix 2 of the HIP (August 2016) appears to show this figure should be 215 dwellings.

- d L/A Larchwood, Anscombe Woods Crescent, Haywards Heath (SHLAA #334) has been subject to huge delays in the signing of the S106 agreement, despite a resolution to grant. The Council determined on 20<sup>th</sup> October 2016 that the application would no longer be proceeded with. It should be considered that as the site is no longer coming forward in its present state, it is not available now, and should therefore not be included in the five year housing land supply, though it may come forward during the rest of the plan period.

- 5.30 Overall the sites under this category result in no change to the five year housing land supply as there is a loss of 16 dwellings from these sites, but also a gain of 16 dwellings due to the Cookhams site.

## **Concluded five year housing land supply**

- 5.31 The above review of the Council's five year land supply position from their HIP (August 2016) and MSDC1 is summarised in the table below. It measures the Council's five year supply against their stated position and three different scenarios.
- 5.32 The first position is the Council's own opinion on its five year housing land supply position as identified in their HIP (August 2016). The second position includes the update through the MSDC1 document with the Liverpool approach. The first scenario uses the figures based on the above review of housing supply and also applies the Liverpool approach to the backlog. The second uses the same figures but applies the Sedgfield approach and the third scenario does the same but includes NLP's OAN figure of 1,000 dwellings per annum for Mid Sussex.



Table 5.3 MSDC five year housing land supply (as at 1<sup>st</sup> April 2016)

	MSDC HIP (Aug 2016)	MSDC – MSDC1 Update (Sept 16)	NLP – Scenario 1	NLP – Scenario 2	NLP – Scenario 3 (OAN)
<b>Requirement</b>					
Annual housing requirement	800	800	800	800	1,000
Backlog	102	102	102	102	502
Approach to backlog	Liverpool	Liverpool	Liverpool	Sedgefield	Sedgefield
District Plan housing requirement 2015-2020	4,034	4,034	4,034	4,102	5,502
<b>Housing requirement with 20% buffer applied</b>	<b>4,841</b>	<b>4,841</b>	<b>4,841</b>	<b>4,922</b>	<b>6,602</b>
<b>Supply</b>					
<b>Commitments</b>					
Large sites where development has commenced	1,573	1,573	3,046	3,046	3,046
Large sites with planning permission where development has yet to commence	1,870	1,870			
Large allocated sites without planning permission	199	199	60	60	60
Additional Neighbourhood Plan Allocations (MSDC1)	~	515	415	415	415
Sites identified in the SHLAA	239	239	239	239	239
Small sites with planning permission (with 40% discount applied)	317	317	317	317	317
District Plan allocation at Burgess Hill	515	515	255	255	255
District Plan allocation at Pease Pottage	150	150	0	0	0
<b>Total Housing Supply in years 1 – 5</b>	<b>4,863</b>	<b>5,378</b>	<b>4,332</b>	<b>4,332</b>	<b>4,332</b>
Five year supply	5.02 years	5.55 years	4.47 years	4.40 years	3.28 years
Surplus/Deficit over period	22	537	-509	-590	-2,270

Source: HIP Figure 5

5.33

The key points from this review of Mid Sussex's five year housing land supply are:

- The Sedgefield approach is more appropriate than the Liverpool approach in addressing the backlog;
- There are various sites included in the five year housing land supply that are either not available now, are more than likely to have lapsed or are stated to deliver more dwellings than they presently have planning permission for. These should therefore be discounted from the supply.
- The former sewage treatment works site is unlikely to be delivered at all in the plan period, let alone in the five years between 2016/17 and 2020/21 and should therefore be taken out of the supply.

- The Northern Arc strategic allocation is also at an early stage in the planning process and has various delivery issues. As such it is unlikely to deliver as many dwellings as assumed in the five year period.
- This review shows that Mid Sussex does not have a five year housing land supply. If using the Sedgefield approach, as is considered necessary in Mid Sussex, the Council can demonstrate just 4.40 years of housing land supply with a shortfall of 590 dwellings. By applying NLP's OAN figure and using the Sedgefield approach this figure is just 3.28 years with a shortfall of 2,270 dwellings.

## Conclusion

6.0

6.1

This report has reviewed Mid Sussex District Council's housing trajectory for the period 2014-2031. The Council's trajectory establishes that there are 626 dwellings left to allocate for the plan period through the two remaining neighbourhood plans to come forward in the District and a Site Allocations DPD.

6.2

The Council also established a five year housing land supply position of 5.02 years in their HIP (August 2016), which, after including the 'additional' 515 dwellings allocated in neighbourhood plans from the MSDC1 document, increases to 5.55 years. This includes a 20% buffer of the housing requirement in recognition of persistent under delivery as well as the application of the Liverpool approach to the backlog.

6.3

The following conclusions can be drawn from the review of the housing trajectory and the five year housing land supply:

- Evidence of build rates nationally, in the south east of England and within Mid Sussex itself suggests a lead-in time of 2-3 years for smaller sites and at least 5 years for larger strategic sites. Meanwhile build-out rates could reasonably be expected to be between 35 and 45 dwellings per annum per outlet for sites.
- Taking this into account, the Northern Arc strategic allocation is likely to have a slower start on site, with a first start in 2018/19, and slower overall delivery across the plan period.
- The former sewage treatment works site is unlikely to ever come forward, despite having planning permission due to various factors which include that it is likely unviable for housebuilders.
- A range of other sites are unlikely to come forward in the manner envisaged by the Council, in particular with a number of sites not meeting the definition of 'deliverable' within the five year period in line with the NPPF.

6.4

Overall the above essentially means that:

- 1 More flexibility should be put into the housing trajectory to ensure that the full housing need can be met across the whole of the Plan period.
- 2 The overall the housing trajectory for the plan period is deficient and the scale of shortfall is considered too large to be appropriately resolved through the future neighbourhood plans of Slaugham and Copthorne and through a Site Allocations DPD. It requires additional supply to be identified now.
- 3 The Council does not have a five year housing land supply, particularly when the more appropriate Sedgfield approach is applied to the backlog. Based on NLP's OAN (1,000dpa) a further 2,270 dwellings need to be found within the five years to ensure a five year deliverable supply

of land is maintained. This is before even the issue of unmet housing need from elsewhere is considered.



## Appendix 1 NLP Housing Trajectory for Mid Sussex

### **Key for table**

**Blue:** Entries in **Blue** represent those amended by NLP

**Red:** Sites with a neighbourhood plan allocation highlighted in **Red** represent net additional (“new”) components of supply from neighbourhood plans coming forward after the HIP (BP18) and not previously identified as a commitment in the trajectory.



#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
Strategic Allocations																									
DP8 / 233	East of Burgess Hill, Land at Kings Way (Policy DP8)			50	50	50	50	50	46	46	46	46	46						480	250	250	0	480	480	0
DP9	North and North-West of Burgess Hill (Policy DP9)				0	0	0	0	100	175	240	250	250	250	250	250	250	250	2265	516	0	-516	3,500	2,265	-1,235
DP9A	Land East of Pease Pottage (Policy DP9A)				0	0	0	0	0	0	0	0	0	0	0	0	0		600	150	0	-150	600	0	-600
Large Site (6+) Commitments																									
Ansty & Staplefield																									
94	North of Rookery Farm Rocky Lane Haywards Heath					55													55	55	55	0	55	55	0
239 & 485	Land South of Rocky Lane, Haywards Heath (Phase 1 & 2)		32			165													197	165	165	0	197	197	0
627	Land Adj, Holly Banks, Deaks Lane, Ansty					7													7	7	7	0	7	7	0
640	Ansty Cross Inn, Cuckfield Road, Ansty		7																7	0	0	0	7	7	0
626	Barn Cottage (Ansty and Staplefield NP)												8						8	0	0	0	8	8	0
629	Bolney Road (Ansty and Staplefield NP)												18						18	0	0	0	18	18	0
Ardingly																									
187	Land between Lodgeland and Standgrove Place, College Lane, Ardingly					36													36	36	36	0	36	36	0
Ashurstwood																									
607	L/A Ashurst Wood Abbey, Hammerwood Road, Ashurst Wood	11																	11	0	0	0	11	11	0
470	Wealden House, Lewes Road (EDF) (Ashurst Wood NP)												50						50	0	0	0	50	50	0
757	Wealden House, Lewes Road (LIC) (Ashurst Wood NP)												25						25	0	0	0	25	25	0
Balcombe																									
150	Balcombe House Gardens and Rectory Gardens, Haywards Heath Road (Balcombe NP)					14													14	14	14	0	14	14	0
191	Barn Field, Haywards Heath Road (Balcombe NP)					14													14	14	14	0	14	14	0
188	North of Station House, London Road (Balcombe NP)												14						14	0	0	0	14	14	0
Bolney																									
82	G&W Motors London Road Bolney												10						10	0	0	0	10	10	0
543 (part)	Former Queens Head Pub (Bolney NP)					30													30	30	30	0	30	30	0
707	Land west of London Road, Bolney					10													10	10	10	0	10	10	0
Burgess Hill																									
83	Station yard/car park Burgess Hill												100						100	0	0	0	150	100	-50



#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP
73	Covers Timber Yard 107 Fairfield Road Burgess Hill			15															15	15	15	0	15	15	0
84	The Oaks Centre Junction Road Burgess Hill												12						12	0	0	0	12	12	0
88	Land at Leylands Park (North of Faulkners Way) Burgess Hill			0															0	20	0	-20	20	0	-20
45	Former Sewage Treatment Works, Burgess Hill			0									0						0	150	0	-150	325	0	-325
739	Land at 152 Leylands Road, Burgess Hill			6															6	6	6	0	6	6	0
91	Keymer Tile Works Nye Road Burgess Hill			45	45	45	45	45					250						475	225	225	0	475	475	0
92	Open air market Burgess Hill			0															0	0	0	0	0	0	0
419	Osborne House Station Road Burgess Hill			14															14	14	14	0	14	14	0
535	70 Station Road, Burgess Hill			13															13	13	13	0	13	13	0
693	71 Victoria Road, Burgess Hill			14															14	14	14	0	14	14	0
730	69 Victoria Road, Burgess Hill			14															14	14	14	0	14	14	0
501	67 Victoria Road, Burgess Hill			12															12	12	12	0	12	12	0
528	Burgess Hill Town Centre, Civic Way, Burgess Hill (The Martletts)																		142	142	142	0	142	142	0
756	The Brow, Burgess Hill												100						100	0	0	0	100	100	0
544	Land at Victoria Road (north), Burgess Hill												80						80	80	0	-80	80	80	0
46	Land off Kings Way, East of Gerald Close, Burgess Hill			63															63	64	63	-1	63	63	0
93	Land north of Maltings Park, Burgess Hill	26	43																69	0	0	0	69	69	0
	2 St Andrews Road, Burgess Hill		5																5	0	0	0	5	5	0
654	Marlborough Court, Royal George Road, Burgess Hill		6																6	0	0	0	6	6	0
692	76 Victoria Road, Burgess Hill		11																11	0	0	0	11	11	0
90	Land Parcel Opposite Manor Close, Manor Road, Burgess Hill	29																	29	0	0	0	29	29	0
694	1st/2nd Floor 24 Church Road, Burgess Hill	6																	6	0	0	0	6	6	0
610	Junction Inn, 88 Junction Road, Burgess Hill	13																	13	0	0	0	13	13	0
85	86 Junction Road, Burgess Hil	13																	13	0	0	0	13	13	0
168	10 Mill Road, Burgess Hill	10																	10	0	0	0	10	10	0
41	Kings Head, 102 London Road, Burgess Hill, West Sussex	13																	13	0	0	0	13	13	0
	Cuckfield																								
37	Land Parcel East of Ardingly Road, Cuckfield, West Sussex		5	9															14	9	9	0	14	14	0
695	Yew Tree Court, London Lane, Cuckfield			10															10	10	10	0	10	10	0
177	The Manor House, 14 Manor Drive, Cuckfield												10						10	0	0	0	10	10	0
480	Courtmeadow School, Hanlye Lane, Cuckfield												10						10	0	0	0	10	10	0
64	Land at Bylanes, Close Cuckfield	40																	40	0	0	0	40	40	0

#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
	East Grinstead																								
259	218 London Road, East Grinstead					14													14	14	0	14	14	0	
548	17 Copthorne Road, Felbridge, East Grinstead					25													25	25	0	25	25	0	
697	Garland Court, Garland Road, East Grinstead					49													49	49	0	49	49	0	
96	Stonequarry Woods East Grinstead												40						40	0	0	0	40	40	0
97 & 98	South of The Old Convent & St Margarets Convent		18			56													74	56	56	0	74	74	0
52	adj Ashplats House, Holtye Rd, East Grinstead	46	17			8													71	8	8	0	71	71	0
101	Tennis & Squash Club Ship Street East Grinstead					0													0	0	0	0	0	0	0
696	1 - 25 Bell Hammer, East Grinstead					0													0	3	0	-3	3	0	-3
409	Sussex House, London Road, East Grinstead		27			8													35	8	8	0	35	35	0
577	St James House, 150 London Road, East Grinstead					41													41	41	41	0	41	41	0
639	Parish Hall, De La Warr Road, East Grinstead					8													8	8	8	0	8	8	0
102	Junction of Windmill Lane/London Road East Grinstead												35						35	0	0	0	35	35	0
439 (part)	St Lukes House Vicarage, Holtye Road, East Grinstead					14													14	14	14	0	14	14	0
444	The Vinesong Trust, Warrenside, College Lane, East Grinstead					14													14	14	14	0	14	14	0
449	4-6 Swan Court, London Road, East Grinstead		6			3													9	3	3	0	9	9	0
524	Former Caffyns Garage, King Street, East Grinstead					12													12	12	12	0	12	12	0
313	Farringdon House, Wood Street, East Grinstead					41													41	41	41	0	41	41	0
412	1 Christopher Road, East Grinstead					26													26	26	26	0	26	26	0
758	151 London Road, East Grinstead					16													16	16	16	0	16	16	0
759	Tower Car Sales, Tower Close, East Grinstead					7													7	7	7	0	7	7	0
737	Mead House, Cantelupe Road, East Grinstead		21			5													26	5	5	0	26	26	0
766	Home, 3 Cantelupe Mews, East Grinstead					8													8	8	8	0	8	8	0
773	Superdrug, 78 London Road, East Grinstead					7													7	7	7	0	7	7	0
513	Land at Blackwell Farm Road, East Grinstead					10													10	10	10	0	10	10	0
746	South of Phoenix House, Cantelupe House, East Grinstead					12													12	12	12	0	12	12	0
638	65 London Road, East Grinstead		7																7	0	0	0	7	7	0
123	Greenstede House, Wood Street, East Grinstead		13																13	0	0	0	13	13	0
235	West of Imberhorne Lane, East Grinstead	59	18																77	0	0	0	77	77	0
405	North End Club, London Road, East Grinstead		7																7	0	0	0	7	7	0

#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
698	Phoenix House, 23 -25 Cantelupe Road, East Grinstead		30																30	0	0	0	30	30	0
608	33 - 35 Cantelupe Road, East Grinstead		14																14	0	0	0	14	14	0
705	67 - 69 London Road, East Grinstead		7																7	0	0	0	7	7	0
53	Rear of 240 - 258 Holtye Road, East Grinstead	24																	24	0	0	0	24	24	0
316	Dunnings Mill Snooker Cluub, East Grinstead	7																	7	0	0	0	7	7	0
12	Car Park, Felbridge Hotel, London Road, East Grinstead	12																	12	0	0	0	12	12	0
439	(part) Meadway Garage (East Grinstead NP)											9							9	0	0	0	9	9	0
510	Imberhorne Lane Car Park (East Grinstead NP)											18							18	0	0	0	18	18	0
559	Post Office, 76 London Road (East Grinstead NP)											12							12	0	0	0	12	12	0
81	Imberhorne Lower (East Grinstead NP)											200							200	0	0	0	200	200	0
723	Ashplatts House (East Grinstead NP)					45													45	45	45	0	45	45	0
768	Queens Walk (East Grinstead NP)					129													129	129	129	0	120	129	9
	<b>Hassocks</b>																								
472	Stafford House 91 Keymer Road Hassocks					14													14	14	14	0	14	14	0
106	Station Goods Yard Hassocks											70							70	0	0	0	70	70	0
699	Sandbrook, Parklands, Hassocks		8																8	0	0	0	8	8	0
161	Land rear of Stafford House, Ockley Lane, Hassocks	3	14																17	0	0	0	17	17	0
690	Hassocks Golf Club (Hassocks NP)											130							130	0	0	0	130	130	0
753	Land to north of Clayton Mills and Mackie Avenue (Hassocks NP)											140							140	0	0	0	140	140	0
375	National Tyre Centre (Hassocks NP)											20							20	0	0	0	20	20	0
	<b>Haywards Heath</b>																								
531	North of 99 Reed Pond Walk Franklands Village Haywards Heath					18													18	18	18	0	18	18	0
108 & 109	East of hospital playing field, Anscombe Wood, Fox Hill (Parcel X & Y), Haywards Heath	48	71			17													136	17	17	0	136	136	0
700	Oldfield, 55 Lewes Road, Haywards Heath					10													10	10	10	0	10	10	0
454	The Oaks, 36 Paddockhall Road, Haywards Heath, West Sussex					9													9	9	9	0	9	9	0
701	1 - 3 Church Road, Haywards Heath					43													43	43	43	0	43	43	0
708	Burns House, Harlands Road, Haywards Heath					0						8							8	8	0	-8	8	8	0
702	6 Heath Square, Boltro Road, Haywards Heath					9													9	9	9	0	9	9	0
110	Bolnore Village (Phases 4a, 4b, 4c & 5), South West of Haywards Heath	83	73			142													298	142	142	0	298	298	0

#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
289	Grosvenor Hall, Bolnore Road, Haywards Heath					10													10	10	10	0	10	10	0
448	Land to the West of Beech Hurst, Butlers Green Road, Hayward					10													10	10	10	0	10	10	0
247	Penland Farm, Balcombe Road, Hayward Heath					210													210	210	210	0	210	210	0
706	Mid Sussex Magistrates Court, Bolnore Road, Haywards Hath					36													36	36	36	0	36	36	0
760	Norris House, Burrell Road, Haywards Heath					30													30	30	30	0	30	30	0
726	Milton House, Milton Road, Haywards Heath					28													28	28	28	0	28	28	0
334 (part)	L/A Larchwood, Anscombe Woods Cresent, Haywards Heath					0						10							10	10	0	-10	10	10	0
334 (part)	Land between The Willows and Bennetts Rise, Southdowns Park					13													13	13	13	0	13	13	0
767	11 Boltro Road, Haywards Heath					7													7	7	7	0	7	7	0
329	Beacon Heights, 4 Church Road					24													24	24	24	0	24	24	0
57	Land at Gamblemead, Fox Hill, Haywards Heath					99													99	99	99	0	99	99	0
771	L/A Oldfield, 55 Lewes Road, Haywards Heath					7													7	7	7	0	7	7	0
199	Land to rear of 151 Western Road, Haywards Heath					14													14	14	14	0	14	14	0
	Butlers Green Road, Haywards Heath		40																40	0	0	0	40	40	0
620	Ashton House, Bolnore Road, Haywards Heath		18																18	0	0	0	18	18	0
307	17 - 21 Boltro Road, Haywards Heath		13																13	0	0	0	13	13	0
417	Victoria Gate, 119 - 127 South Road, Haywards Heath		10																10	0	0	0	10	10	0
126	Ex Horace Hilton Gower Road Haywards Heath		14																14	0	0	0	14	14	0
539	Land south of 9 Mill Hill Close, Haywards Heath	14																	14	0	0	0	14	14	0
652	The Mayflower Pub, America Lane, Haywards Heath	7																	7	0	0	0	7	7	0
496	Land south of Rocky Lane and west of Weald Rise and Fox Hill Village (Haywards Heath NP)					50	50	50					40						190	190	150	-40	150	190	40
507	Caru Hall (Haywards Heath NP)												12						12	0	0	0	12	12	0
597	Rear of Devon Villas (Haywards Heath NP)												10						10	0	0	0	10	10	0
619	Beech Hurst Depot, Bolnore Road (Haywards Heath NP)					15							9						24	15	15	0	24	24	0
744	Harlands Road Car Park (Haywards Heath NP)												40						40	40	0	-40	40	40	0
750	Downlands Park (Haywards Heath NP)					0													0	20	0	-20	20	0	-20
	Horsted Keynes																								
728	Ravenswood Hotel, Horsted Lane, Sharpthorne					12													12	12	12	0	12	12	0
216	Police House Field (Horsted Keynes NP)												10						10	0	0	0	10	10	0

#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
68	Land at Jefferys Farm (Horsted Keynes NP)												6						6	0	0	0	6	6	0
	Hurstpierpoint & Sayers Common																								
284	Land north of Fairfield Recreation Ground, Chalkers lane					61													61	61	61	0	61	61	0
377	Sussex House 23 Cuckfield Road, Hurstpierpoint					6													6	6	6	0	6	6	0
238	Land to north of Little Park Farm, Hurstpierpoint					140													140	140	140	0	140	140	0
2	Land north of Highfield Drive, Hurstpierpoint					17													17	17	17	0	17	17	0
380	land rear of 105 - 109 Cuckfield Road, Hurstpierpoint	1	5																6	0	0	0	6	6	0
35	Land at Chalkers Lane, Hurstpierpoint	29	9																38	0	0	0	38	38	0
	Lindfield																								
494	Land to the east of Gravelye Lane and south of Scamps Hill	13	59			158													230	158	158	0	230	230	0
586	Buxshalls, Ardingly Road, Lindfield, West Sussex,					19													19	19	19	0	19	19	0
761	Springfield Farm, Lewes Road, Scaynes Hill					6													6	6	6	0	6	6	0
703	Dukes Barn Court, Newton Road, Lindfield		11																11	0	0	0	11	11	0
428	Former Blackthorns Nursing Home, Blackthorns Close, Lindfield	1	12																13	0	0	0	13	13	0
426	Land between Firlands and the Willows, Church Road, Scaynes Hill		6																6	0	0	0	6	6	0
112	Croudace Homes Development Site Gravelye Lane Lindfield	12																	12	0	0	0	12	12	0
	Slaugham																								
704	Land at Caburn and St Georges House, Brighton Road, Handcross					7													7	7	7	0	7	7	0
600	Golf Course Driving Range, Horsham Road, Pease Pottage					95													95	95	95	0	95	95	0
321	Seaspace House, Brighton Road, Handcross					7													7	7	7	0	7	7	0
517 & 647	Land at Hyde Estate, Handcross					90													90	90	90	0	90	90	0
762	Sherwood Works, Brighton Road, Handcross					7													7	7	7	0	7	7	0
709	Allotment Gardens, High Street, Handcross					6													6	6	6	0	6	6	0
152	Land north of Black Swan Close, Pease Pottage	26	25																51	0	0	0	51	51	0
	Turners Hill																								
116	Clock Field, North Street, Turners Hill					47													47	47	47	0	47	47	0
492 & 533	Old Vicarage Field, Church Road, Turners Hill					44													44	44	44	0	44	44	0
	West Hoathley																								
148	Land north of Top Road, Sharpthorne												24						24	0	0	0	24	24	0
477	Land adjacent to Cookhams, south of Top Road, Sharpthorne					16													16	16	16	0	16	16	0

#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
645	Bluebell Woodland, Sharpthorne												15						15	0	0	0	15	15	0
	Worth																								
7	Pasture Wood, Hophurst Lane, Crawley Down					9													9	9	9	0	9	9	0
518 & 672	Land east of Woodlands Close, Crawley Down (Phase 1 & 2)	1	41			54													96	54	54	0	96	96	0
268	Land at Holly Farm, Copthorne Way, Copthorne					45													45	50	45	-5	45	45	0
38	Land west of Copthorne, Copthorne Way						30	60	60	60	60	60	60	60	50				500	300	90	-210	500	500	0
272	Hill Land at Wychwood, Turners Hill Road, Crawley Down					23													23	23	23	0	23	23	0
488	Palmers Autocentre Turners Hill Road Crawley Down					8													8	8	8	0	8	8	0
274	Land opposite Ruffwood, Turners Hill Road, Crawley Down		26																26	0	0	0	26	26	0
195	Felbridge Nursery, Crawley Down Road, Felbridge		10																10	0	0	0	10	10	0
135	Land Parcel At 534470 137280 Grange Road Crawley Down	14																	14	0	0	0	14	14	0
	Miscellaneous																								
	Other Large Site Demolitions	-8																	-8	0	0	0	-8	-8	0
	SHLAA Sites																								
668	Hook Place, Cuckfield Road, Burgess Hill (Ansty & Staplefield)					8													8	8	8	0	8	8	0
729	Land adj to Greenstede House, Wood Street, East Grinstead (East Grinstead)					10													10	10	10	0	10	10	0
246	Hurst Farm, Hurstwood Lane, Haywards Heath (Haywards Heath NP) (200 new, 150 already identified)					150							200						350	150	150	0	350	350	0
732	The Priory, Syresham Gardens, Haywards Heath					41													41	41	41	0	41	41	0
745	Land to north of Rocky Lane, Haywards Heath					30													30	30	30	0	30	30	0
	Small Sites (1-5 units)																								
	Small Site Allowances																								
	Completions: Sites 1-5 units (net)	77	109																186	0	0	0	186	186	0
	Commitments: Sites 1-5 units with PP (net)					317													317	317	317	0	317	317	0
	Windfalls								45	45	45	45	45	45	45	45	45	45	450	0	0	0	450	450	0
	Small Site NP Allocations																								
649	Horsgate House (Cuckfield NP)												5						5	0	0	0	5	5	0
545	11 Manor Drive (Cuckfield NP)												3						3	0	0	0	3	3	0
	Mount Pleasant Nursery, Cansiron Lane (Ashurst Wood NP)					3													3	3	3	0	3	3	0
139	Land between 98 and 104 Maypole Road (Ashurst Wood NP)					5													5	5	5	0	5	5	0

#ID	Component	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	2030/31	Total	5 Year Period			Plan Period		
		Actual	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj		Council	NLP	Diff.	Council	NLP	Diff.
	Willow Trees and Spinney Hill, Lewes (Ashurst Wood NP)					3													3	3	0	3	3	0	
	Land adjacent to the Village Allotments, Hay Lane (Albourne NP)					2													2	2	0	2	2	0	
711	Bolney House (Bolney NP)					5													5	5	0	5	5	0	

## Appendix 2   Lead-in Times and Build-out Rates in Mid Sussex





Lead in Times Analysis - From Sites contributing to Plan trajectory: Large Sites of 35+ units Commenced or Completed; and Large Sites of 100+ with PP																						
#ID	Component	Ref	TYPE (A - Appeal)	Dwellings	Submitted	Granted	First Completio	Lead-in Time	Lead-in	Submitted	Granted	First Home Completion	Delivery Rate (by monitoring year)									
									Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 1	Year 2	Year 3	Year 4	Year 5
	Strategic Allocations																					
DP8/233	East of Burgess Hill, Land at Kings Way (Policy DP8)	12/01532/OUT	Outline	480	30-Apr-12	10-May-13	Apr-16	4yrs 0m														
	Large Site (6+) Commitments																					
	Ansty & Staplefield																					
239&485	Land South of Rocky Lane, Haywards Heath (Phase 1 & 2)	12/00535/OUT	Outline	197	14-Feb-12	01-Jun-12	Apr-15	3yrs 2m										32				
	Ardingly																					
187	Land btwn Lodgeland & Standgrove Place, College Ln	11/03417/OUT	Outline - A	36	24-Oct-11	22-May-14	Aug-16	4yrs 10m														
	Burgess Hill																					
45	Former Sewage Treatment Works, Burgess Hill	08/01644/OUT	Outline	325	12-May-08	24-Jun-14	n/a	~														
91	Keymer Tile Works Nye Road Burgess Hill	09/03697/OUT	Outline	475	02-Dec-09	30-Apr-10	Apr-16	6yrs 2m														
528	Burgess Hill Town Centre, Civic Way, Burgess Hill	DM/15/3858	Full	142	28-Sep-15	14-Mar-16	n/a	~														
93	Land north of Maltings Park, Burgess Hill	09/00602/FUL	Full - A	94	27-Feb-09	21-Sep-09	Dec-13	4yrs 10m										25	26	43		
90	Land Parcel Opposite Manor Close, Manor Rd., Burgess Hill	10/01898/FUL	Full	122	21-Jun-10	14-Jun-11	Mar-12	1yr 9m										1	45	47	29	
	Cuckfield																					
64	Land at Bylanes, Close Cuckfield	09/03857/OUT	Outline - A	42	21-Dec-09	03-May-11	Mar-14	4yrs 3m										2	40			
	East Grinstead																					
97&98	South of The Old Convent & St Margarets Convent	14/00294/FUL	Full	74	28-Jan-14	25-Jun-14	Jan-16	2yrs 0m										18				
52	adj Ashplats House, Holtye Rd, East Grinstead	10/01317/OUT	Outline	117	05-May-10	11-Apr-11	Jan-13	2yrs 7m										16	30	46	17	
235	West of Imberhorne Lane, East Grinstead	10/02071/OUT	Outline - A	100	05-Jul-10	22-Jun-11	Sep-13	3yrs 2m										23	59	18		
	Haywards Heath																					
108&109	East of hospital PF, Anscombe Wood, Fox Hill (Parcel X&Y)	HH/130/98	Outline	222	22-Jul-98	17-Mar-03	Dec-11	13yrs 5m										46	25	15	48	71
701	1 - 3 Church Road, Haywards Heath	13/03814/FUL	Full	43	06-Nov-13	05-Feb-14	Aug-16	2yrs 10m														
110	Phase 4, Bolnore Village, South West of Haywards Heath	04/02676/OUT	Outline - A	573	04-Oct-04	23-Oct-07	Nov-12	8yrs 1m										30	54	83	73	
247	Penland Farm, Balcombe Road, Hayward Heath	13/03472/OUT	Outline - A	210	11-Oct-13	12-Jan-15	n/a	~														
289	Butlers Green Road, Haywards Heath	11/01254/OUT	Outline - A	40	21-Apr-11	16-Mar-12	Jun-16	5yrs 2m										40				
	Hurstpierpoint & Sayers Common																					
238	Land to north of Little Park Farm, Hurstpierpoint	12/04141/OUT	Outline - A	140	04-Dec-12	04-Sep-14	n/a	~														
35	Land at Chalkers Lane, Hurstpierpoint	12/02838/FUL	Full	39	14-Aug-12	19-Dec-12	Jun-14	1yr 10m										29	9			
	Lindfield																					
494	Land to the east of Gravelye Ln. & south of Scamps Hill	12/04316/FUL	Full	230	21-Dec-12	31-Oct-13	Dec-14	2yrs 0m										13	59			
	Slaughtam																					
152	Land north of Black Swan Close, Pease Pottage	12/02128/FUL	Full - A	51	18-Jun-12	26-Mar-13	Nov-14	2yrs 5m										26	25			
	Worth																					
518&672	East of Woodlands Cl. (P1 Out Appeal & P2 Full App)	12/00672/OUT	Outline - A	97	24-Feb-12	03-Jun-13	Dec-14	2yrs 10m										1	41			
38	Land west of Copthorne, Copthorne Way	13/04127/OUTES	Outline	500	02-Dec-13	25-May-16	n/a	~														

