

SUBMISSION FROM NEIL KERSLAKE TO THE SPECIFIC QUESTIONS SET OUT
IN THE PLANNING INSPECTOR'S LETTER OF 12 OCTOBER 2016 ON THE MID
SUSSEX DISTRICT PLAN

I would ask please that I be invited to give evidence to the
hearings listed for 29 November to 2 December 2016.

QUESTION 1 - Yes but the HEDNA Addendum shown in the Question as
being dated June 2016 should refer to the HEDNA Addendum dated
August 2016.

QUESTION 2 CALCULATION OF THE OAN

2.1- Yes.

2.2 - No. My arguments on market signals are set out fully in my
Paper Nol (paragraphs 2 (ix) to (xiv) and Annex A to that
Paper). This formed part of my submission dated 20 December 2016
on Mid Sussex District Council's (MSDC) amendments to its
District Plan dated November 2015 (My submission Reference number
is 15308).

In addition to the points made on market signals in the above
paragraph, I would add the following factors:-

(1) Government have now had plenty of time to amend the market
signals section of the NPPG in relation to the findings of the
DCLG sponsored Reading University Study on housing numbers and
affordability but Government has not changed one word of the NPPG
on market signals. There are two possible reasons for this: either
Government remains unconvinced about the ratio of price reduction
and affordability compared with increased housing provision (i.e.
they are not convinced that the price elasticity in relation to
increased housing supply is as low as Reading have concluded); or
Government takes the view that extra house building will have
some impact on house price affordability and thus market signal
adjustments to the OAN will have some beneficial affect on
affordability notwithstanding whether the price elasticity is as
low as the Reading Study predicts (i.e. on the principle that
'every little additional housing helps' in terms of improving
affordability).

(ii) MSDC have swung from arguing that there should be a 10%
adjustment to the OAN for market signals in their February 2015
HEDNA to no adjustment at all for market signals in their June
2015 HEDNA and now to an adjustment of 24 homes per annum for
market signal/affordability issues in the age cohort 20 to 34
years old in the November 2015 HEDNA. This represents a
'switchback approach' to market signals (three totally different
approaches) to market signals in a period of only 8 months in
2015. MSDC's latest change of mind (November 2015 HEDNA) seems to
be based on the conclusions of the Planning Inspector for Horsham
District Council, but as I explain in my submission of 20
December 2015, Horsham's affordability evidence for the different
age cohorts was more mixed than for the same cohorts in Mid
Sussex and in any event the focus should be solely on the Mid
Sussex evidence and argument.

MSDC has always argued that there is no evidence that the trend

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in Mid Sussex housing prices has moved out of line with nearby District, regional or national trends. Notwithstanding the trend argument in the preceding sentence, it now argues that whilst most age range cohorts have an affordability problem, with some 6% to 7% more people renting in the 2011 Census compared with the 2001 Census, there was a larger (20%) increase in renting in the 20 to 34 age range and thus a market signal uplift in the OAN for this cohort alone was justified. In my view MSDC's argument is neither rational nor logical. If one looks at the percentage increase in each age range cohort then a 6% increase is a significant number just as a 20% increase is a significant number. Adding together a market signal adjustment for each age cohort would be logical in the face of a clear significant increase in rentals for each group and it would produce a larger adjustment to the OAN for market signals than that proposed by MSDC. The adjustment to be made would involve comparing the reduction in the household projections for each of the age cohorts using the DCLG figures for 2008 and 2012 for comparison (and maybe including the figures, if available, for the July 2016 DCLG household figures). An alternative rational argument would be that as trends in house prices in Mid Sussex are little different to those regionally and nationally then no adjustment for market signals should be made. The position which MSDC have taken to market signals is neither one nor the other of these two rational approaches to market signals.

My view remains that in keeping with government policy for increased housing numbers and its policy set out in the NPPG for market signals, then since house price affordability is worsening in Mid Sussex (and regionally and nationally) a broad brush adjustment of 10% should be made to MSDC's baseline OAN of 714 homes per annum for market signals. If a 10% adjustment is judged to be a little high then a lower figure of 5% would in my view be the minimum level of market signal adjustment to MSDC's OAN.

2.3 No. I do not believe that MSDC's calculations reflect projected jobs growth.

My arguments are set out in my submission of 20 December 2015 in my Paper No 3 (paragraphs 1 to 7 inclusive of Paper no 3). It is interesting to note that in its failed District Plan in 2013 MSDC based its housing need solely on its projection of jobs with the jobs projection being determined using an economic measure (3% gross value added) but I have set the details of this out more fully in my submission of 20 December 2015.

QUESTION 3 - DUTY TO CO-OPERATE

3.1. There are actual figures for unmet need in the adjacent neighbouring local authorities resulting from the Planning Inspector's findings at Examination of these local authorities housing needs. It seems that these wider unmet needs have been discussed at least with Crawley and Brighton. The problem is that the discussion between Crawley and Brighton (referred to in their reply of 29 September 2016 to the Planning Inspector's letter to MSDC of 15 September 2016) has been more about what MSDC is prepared to meet in unmet need as and when each version of MSDC's District Plans and HEDNAS have been produced and always

based on MSDC's view that they have an overall implied cap on their housing provision(ranging from 650 homes per annum in the June 2015 HEDNA to 800 homes per annum in the November 2015 HEDNA).I am using the term 'implied cap' because everything MSDC has done on housing provision demonstrates an absolute resistance to have any flexibility on its set housing number.In effect, because of the cap on MSDC's total housing, it seems from what MSDC have said, that Crawley and Brighton have been put into a bit of a 'take it or leave it' situation with the unmet need for these two neighbouring local authorities.They are simply told what MSDC is prepared to offer towards their unmet need after adjustments to MSDC's baseline OAN compared with MSDC's view on what its overall housing cap is set at(linked to MSDC's view on sustainability).And, because MSDC has produced three plans and three accompanying HEDNAS in 2015 and one further change in August 2016, the unmet needs provision varies each time in a yo yo fashion in relation to the overall housing cap for each Plan version.

It seems to me that MSDC should have discussed ,in these dialogues with neighbouring local authorities, how MSDC might meet a reasonable part of their unmet need depending on the relative degree of overlap between Crawley and Brighton.This would ,for example, have required MSDC and Crawley(which have a closer overlap than does Mid Sussex and Brighton) talking seriously about meeting a similar level of Crawley's unmet need(based on 330 homes per annum in total of unmet need in Crawley)as has been allowed for in Horsham's total housing provision following the intervention of the Planning Inspector in the Examination process of Horsham's total housing provision.This would require MSDC to talk to Crawley positively and pro actively(as the NPPF requires) about the possibility of ,and any real difficulties of, meeting between 100 and 150 homes per annum of Crawley's unmet need as Horsham have already committed to.It is difficult to accept that MSDC should not have had such a documented conversation with Crawley and Brighton about really positively discussing how MSDC should at least start to consider how to provide a precise numerical figure that would go some way towards helping towards their unmet need.As I have said,MSDC appears to start with an overall cap and then tell Crawley and Brighton what is left to provide towards their unmet need.And, this cap is based totally on MSDC's Sustainability Assessment on which they originally set the 'tipping point' close to their housing provision figure of 650 homes per annum ,but when MSDC changed its housing provision figure to 800 homes per annum, MSDC simply ammended the Sustainability Assessment to provide a 'tipping point' at 800 homes(this position is clearly demonstrated in all of the District Plans and HEDNAS for June 2015 to November 2015 and the change notified to the August amendment to the Plan with its associated HEDNA).

4. UNMET NEED

4.1 My answer to Question 3.1 above has strayed into this question.My basic concern is that the NPPF requires MSDC to have shown that it is trying positively and pro actively to work with neighbouring local authorities to assist in meeting any unmet need.This means looking at the unmet need figure and seeing whether any other local authorities have committed to meeting

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part of the unmet need and really trying to see what MSDC can do in contributing to the outstanding unmet need of Crawley and Brighton. Since MSDC have put up a housing cap based on a 'tipping point' derived from their Sustainability Assessment this would require MSDC to reconsider their Sustainability Assessment and make a serious effort to see whether it could be readjusted reasonably to meet a higher housing number to include a significant part of say Crawley's unmet need. MSDC would also need to look seriously at its SHLAA to see whether a slightly lower hurdle to its developable sites could provide an increase in its site provision in the District Plan, including some additional sites closer to the Crawley boundary. This root and branch positive and pro active approach to the discussion of Crawley and Brighton's unmet need not only should have taken place but should have been fully documented in note of co-operative dialogue.

4.2. There is no evidence that I have seen that shows that any calculations of contributing reasonably to Crawley and Brighton's unmet need have taken place. The only evidence seems to be MSDC's reply to the Planning Inspector of 29 September 2016 (referred to in my answer to Question 3.1. above), where the unmet need figure has oscillated wildly based on what MSDC's overall cap on housing provision is at any point in time with unmet need simply being a figure to meet that cap after working out MSDC's baseline OAN with any adjustments to their total OAN. The unmet need calculation/figure has then simply been a numerical 'make weight' number added to the total OAN to arrive at the capped housing need figure. As a result in the February 2015 Plan and HEDNA the unmet need could only be 23 homes per year after adjustments to the OAN; in the June 2015 Plan and HEDNA it was zero (because no adjustment could be made to the 650 homes tipping point of the Sustainability Assessment); in November 2015, (having made a large change to the Sustainability Assessment to increase the housing cap of 800 homes per annum) then after adjustments to the OAN an unmet need figure of 105 homes per annum was left and set as the unmet need provision; in August 2016 after a new DCLG baseline OAN of 714 homes per annum was produced and other adjustments to that OAN have been made by MSDC, and given a cap of 800 homes per annum, that has left only 46 homes to meet unmet need and MSDC have set the unmet need offer at 46 homes. This pattern of changing the unmet need figure (based on a particular overall housing cap figure) as a simple arithmetical adjuster to be added to the adjusted OAN and deducted from the overall housing cap seems to be how MSDC believe that unmet need should be both calculated and provided. No effort has been made to look at whether there could be any scope for adjusting the Sustainability Assessment (which is itself largely a judgemental exercise anyway) or adjusting the hurdle in the SHLAA to include additional sites which are developable; if MSDC had done so this would have demonstrated a real, positive and proactive look at meeting a reasonable contribution to neighbouring authorities unmet needs.

5. AFFORDABLE HOUSING

5.1. No. I have set out my arguments on affordable housing in my Paper No 2 with my submission of 20 December 2015. That paper makes the point that MSDC (and their Consultants Chilmark) failed

to take into account ,in their affordable housing calculations, those people likely to return to the MSDC waiting list following the drastic reduction in the MSDC waiting list as a result of changes to the rules for inclusion on the waiting list.MSDC have not updated their HEDNA'S of November 2015 and August 2016 to reflect the calculations of affordable housing based upon the current total waiting list figure and for current reasonable preference groups figure. MSDC Housing/waiting list unit have provided me with the end September 2016 waiting list figures which are 376 for the reasonable preference groups(compared with 255 in the November 2015 HEDNA in table 17 on page 24 of that HEDNA) and 1555 for the total waiting list(compared with 1286 in the November 2015 HEDNA in table 17 on page 24 of that HEDNA)The latest figures show a 20% increase in the total waiting list in the last 12 months which underscores my point about the HEDNA calculations for affordable homes not being representative of the real position on affordable homes because of the influx of returnees to the list following their removal based on a major change in the terms for inclusion on the list.In my Paper No 2 of my submission of 20 December 2015 I had assumed that about 30% of those culled from the waiting list would return over the first 5 years of so;and the latest large increase in the waiting list is beginning to show that those culled are coming back to the list in significant numbers.In the reasonable preference category the increase in the last 12 months is 47%.

In the November 2015 HEDNA in paragraph 6.8 on page 25, MSDC admits that the main factors affecting the affordable housing calculation are the waiting list numbers and the total available stock of committed affordable housing.We now know that the waiting list numbers have increase considerably.

In my view MSDC should be asked to re-run the NPPG calculations for affordable homes based on the latest waiting list data (and other changes in the data) and not rely on calculations and data which is over 12 months old.Then and only then will evidence be available and judgements able to be made on the affordable homes needs and how much of that need is being provided by MSDC's 800 per annum housing provision proposal.

6.THE ABILITY OF THE MARKET TO DELIVER

Clearly this requires a fundamental re-look at the SHLAA and fundamental re-look at the Sustainability Assessment by MSDC(as set out in my answer to Question 4.1. above and my answer to Question 8.2. below) and the views of developers about being able to build the higher housing numbers.My Paper No1 in my submission of 20 December 2015 suggests that a higher housing provision number is needed for Mid Sussex of 850 to 900 homes per annum and nearer to the 900 figure.800 homes per annum is too low.

7.PAST UNDER - DELIVERY

Yes it is a factor in assessing MSDC's provision performance against the then Housing Plan.It also will provide evidence of how long the underprovision of housing compared with the Plan has been taking place and the scale of such underprovision.

8. SITE SELECTION AND HOUSING DISTRIBUTION

8.1 I did not comment on this in my submission of 20 Decemeber 2015 mainly because it is a technical matter for those qualified to comment.

8.2 I did comment on this in terms of being critical of the Sustainability Assessment and the 'tipping point' and the large changes in the Sustainability Assessments produced by MSDC for 650 homes per annum in the June 2015 HEDNA and for 800 homes per annum in the November 2015 HEDNA. These comments are set out in my Paper No 4 (paragraphs (i) to (vi) of my submission of 20 December 2015). Comments on the Sustainability Assessment about it and the 'tipping point' are also set out in my Paper No 1 paragraphs 1(iv) and paragraph 3 (xvx) and (xvxi).

As to the the Question on the SHLAA, I also commented critically on this matter in my Paper No 4 paragraph (vi) in which I suggest that an adjustment to the hurdle level for a sites for inclusion or exclusion from the SHLAA was a reasonable proposition and could be adjusted a little to include more developable sites. to meet the 850 to 900 homes per annum that I believe MSDC need to provide (my Paper No 1 in my submission of 20 December refers)

I have no reason to change my views in my submission documentation referenced in my answers to Question 8.2. and continue to question how the Sustainability Assessment is no more than a broad based guide based on markings which themselves are largely based on judgements and should not be treated as a fixed 'tipping point' number to determine a specific sustainable housing provision figure. Similarly I have no reason to change my views in my submission documentation referenced above that the hurdle level for inclusion/exclusion in the SHLAA could be adjusted to provide more developable sites than MSDC propose and that adjustment would not have any environmental implications providing that the extra sites arising from a hurdle adjustment took account of mitigating measures including landscape mesures, design and site layout measures etc .

In deciding not to change my views above, the only new evidence is MSDC's reply of 29 September 2016 to the Planning Inspector's letter of 15 September 2016 on the matter of the Sustainability Assessment and the 'tipping point' and the possible adjustment to the SHLAA. I found MSDC's answers in their letter of 29 September 2016 unconvincing.

8.3. On the Question of a spacial strategy, I did not raise this in my submission of 20 Decemeber 2015 and should not do so now. But I would observe that whether a spacial strategy would or would not be appropriate, most of the parishes and town Councils in Mid Sussex have either 'made' Neighbourhood Plans in place or are close to having had them 'made' and thus it would not be possible to revisit ,legally, 'made' Neighbourhood Plans to make adjustments to housing provision in those Neighbourhood Plans both in terms of housing numbers and geographical site allocations in those Plans.

8.4 My comments on the Pease Pottage site are set out in Paper No 4 paragraph 2(vii) of my submission of 20 December 2015 in which I make the point that site M(Pease Pottage) did not feature in final choices for the most sustainable strategic sites in Mid Sussex in the Sustainability Appraisal Report(incorporating the Strategic Environmental Assessment)of November 2015 (see pages 100 to 110)and yet it was suddenly ,and at a late stage, included in MSDC's Submission Version of District Plan to help with MSDC's decision to opt for an increase in housing provision from 650 homes per annum to 800 homes per annum.It appears to me that MSDC are now seeking,(unconvincingly in my view) an ex post facto justification for a site they seemed to have rejected in their Sustainability Appraisal Report of November 2015.

8.5. My comments on Question 8.3. apply to the issue of a spacial strategy.

9.TRAJECTORIES

9.1.MSDC will have to provide these figures but what is clear from policy DP5 on page 28 of the Submission Version of the District Plan is that of the remaining target of 6812 homes still to be provided(after 5290 committed homes) some 3500 homes are still to be provided in the Burgess Hill Northern Arc i.e 51% of homes still to be provided will come from the Burgess Hill Northern Arc(a large chunk of MSDC's housing eggs have been put into a single basket).We also know that any start on the Northern Arc has gone back and back and will now be bound to take place ,at best, in the last 10 years of the Plan period.

9.2 So far as the Burgess Hill Northern Arc is concerned it has had to go back towards the end period of the Plan simply because there appears to be no agreement between MSDC and the three developers(Rydon Homes, Wates and Gleasons)as to when ,and at what rate, this major housing development will progress.I have asked MSDC orally and in writing a number of times whether there is any agreement orally or in writing between the parties about a start date for building on the Northern Arc and an agreed trajectory year by year for completion by 2031;and MSDC have avoided any confirmation of this vital information.Paper No 4(paragraph 4 (x)) of my submission of 20 December 2015 sets my views on the Burgess Hill Northern Arc clearly.My guess now is that there will be no development of the main part of the Northern Arc (excluding the Rydon Homes small part of the development) before 2020 and that it will not be possible in the 10 years remaining of the Plan to complete any where near 3500 homes before 2031.It is also important to note that there has been no outline application for the main part of the Northern Arc and before this can happen the developers and MSDC will have to agree whether the new increased housing densities(40 homes per hectare for the Northern Arc) are deliverable and the houses in such a cramped look can be sold with an acceptable profit margin;whether the allocated Gypsy site on the Northern Arc will result in a land buffer between that Gypsy site and the housing and if so will that reduce the developable area such that the total housing would be less than 3500 homes.All this reinforces,in my view ,further delay in any development starting on the Northern Arc much before 2020.And, the trajectory numbers

on the Northern Arc much before 2020. And, the trajectory numbers for the first 5 years of the Northern Arc set out on page 26 of MSDC's reply to the Planning Inspector of 29 September do not say when those trajectories were supplied by the developers: they could well be from a few years ago when the Northern Arc was in its infancy and are not the latest trajectories, or it may be just the Rydon Homes small part of the Northern Arc and not any of the main part of the Northern Arc but what are the year by year trajectories beyond year 5?

This matter needs to be settled in terms of an agreed position by MSDC and the 3 developers involved in the Northern Arc, either before the hearings start on 29 November 2016 or by questioning of the parties at the hearings beginning on 29 November 2016, because if my own best guess is right, then MSDC will fail to even provide the housing numbers (13600 over the Plan period of 2014 to 2031) which it has submitted for Examination and if that were to be the case the District Plan would fail on its own housing provision of 800 homes per annum, let alone the arguments I have made in my Paper No 1 of my submission of 20 December 2015 that the housing provision figure should be between 850 and 900 homes per annum and nearer to the 900 figure.

10. FIVE YEAR HOUSING SUPPLY

I did not comment on this technical calculation in my submission of 20 December 2015. But linking the five year supply calculation to the Burgess Hill Northern Arc set out in my answer to Question 9 above, I would observe that if MSDC argue that any underprovision so far should not be cleared in the first five year supply calculation but should be spread over the later part of the Plan, (i.e. after the first five year period), then there seems to me little realistic chance of mopping up such underprovision on the Northern Arc given that it is now unlikely that the Northern Arc will deliver 3500 homes by 2031.

(NEIL KERSLAKE)

25 October 2016

This statement is not more than 4200 words in length