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Date:

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“CHANGES TO THE CURRENT PLANNING SYSTEM”

Mid Sussex District Council has carefully considered the MHCLG consultation document “Changes to the Current Planning System” and the White Paper proposals “Planning for the Future” White Paper. This response is to the first document. Comments on the White Paper will be submitted by the deadline of 29 October.

Mid Sussex District Council is submitting this response in the context that it is a high performing planning authority, measured by the following factors:

- Each year over the last 10 years, planning permissions have been granted for over 90% of applications and indeed in 2017/18 nearly 94% of all applications were granted permission.
- Last year Mid Sussex delivered the fourth largest planning permission in the Country with the grant of outline permission for 3,040 homes, three neighbourhood centres, three schools and other associated infrastructure at the Homes England flagship project at the Northern Arc. The Council continues to work in close partnership with Homes England and have resourced a dedicated post to ensuring fast paced decision making;
- The Council determines 100% of its major applications within agreed timeframes and of applications which have been refused and which go to appeal to date this year only 15% of appeals have been allowed;
- The Housing Delivery Test result for 2018 was 111% and for 2019 was 96%;
- The District has a 5-year housing land supply and officers stay in regular discussion with site promoters and developers to understand delivery timeframes for their sites;
- The Council adopted its District Plan in 2018 (a plan which has been confirmed recently by a planning inspector as still being up to date), and is at Regulation 19 consultation over a Site Allocations DPD which seeks to allocate sites to meet at least the residual needs of both housing and employment land;
- The Council has committed to the preparation of a revised Local Plan and work has started on this with a view to having submitted the revised Plan to the Inspectorate in 2023; and
- The Council continues to work closely with the development industry and runs quarterly Developers’ Liaison Group meetings to which over 30 local developers and planning agents are invited to discuss local planning matters.

This Council’s response to each of the technical questions is attached in Appendix 1 however Mid Sussex would like to make clear its overarching views to this first stage consultation. Mid Sussex District Council is extremely concerned by many of the proposals contained in the ‘Changes to the current planning system’ document and particularly objects to:

- The proposed standard method for assessing local housing need; and
- The proposals to temporarily lift the small sites threshold below which affordable housing will not be required.

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The Standard Method

Mid Sussex has never been opposed to the establishment of a standard method for calculating housing need and agrees that such an approach would help simplify the planning system. However, it is critical that any agreed methodology be logical and robust. This Council has fundamental concerns with the methodology proposed.

The proposed changes to the standard method would result in a national need figure of 337,000 (as opposed to the current figure of 264,000) and would result in nearly all of those additional 73,000 new homes being distributed in southern England. The principle reasons for this are the two components of the formula: household projections and affordability measures. The application of this methodology would result in an increase in the housing requirement for Mid Sussex from the current District Plan figure of 964dpa and 2018 methodology figure of 1,114dpa to a housing needs figure of 1,395dpa.

The Council does not agree that Household Projections should be used as part of the methodology for a number of reasons. Mid Sussex is recognised as an attractive and desirable place to live. By using past trends to forecast the future, household projections will encapsulate past demand for moving to the area, which will inflate the figures moving forward. In addition, the adopted Mid Sussex District Plan sets out a housing requirement of 16,390 dwellings, of which 1,500 (just under 10%) is to meet the unmet need of neighbouring Crawley Borough. Over time, this will increase inward-migration further, which will be 'locked in' to future figures. In other words, those authorities which have taken significant growth in the past will be expected to take further growth in the future, based on household projections. Those areas where housing growth has been slower, including in the 'Northern Powerhouse' will have corresponding lower needs figures 'locked-in'. Household projections are therefore not an accurate reflection of local 'need'. The Council considers that a more reliable approach would be the use of a percentage of household stock to establish the baseline.

Although household affordability is an important issue this Council questions the use of workplace-based median house price to median earnings ratio as the starting point. At present, due to the relatively high level of out-commuting, the use of workplace-based house price to earnings ratio is not reflective of the situation in Mid Sussex. Workplace-based earnings will reflect only the average wage of those working in Mid Sussex. Using residence-based earnings will reflect the earning potential of the '44% out-commuters' who on average earn more. The difference is significant: an average of £29,599 for workplace-based earnings, and £35,423 for residence-based using the latest 2019 figures.

A more effective way of helping to address housing affordability would be to support the aspirations of Mid Sussex to improve opportunities for high GVA jobs in the District. The District Council is proposing an allocation for a 50ha Science and Technology Park capable of providing for 2,500 jobs. The work on delivering this proposal could be accelerated if the government invested in the necessary highway's infrastructure along the A23.

The response to the issue of the standard method for setting the housing number is of critical importance given the relationship between the establishment of the housing need figure and a fundamental change proposed in the Planning for the Future consultation for housing requirement to be both nationally determined and binding and which local planning authorities will have to deliver through their Local Plans. Although the White Paper indicates that account will be taken of development constraints (such as Green Belt and AONB) there is no clarity over how detailed constraints will be assessed or applied in reaching the final binding housing requirement figure. The assumptions in the White Paper would have significant detrimental implications for a rural District like Mid Sussex given that the three towns in Mid Sussex only account for 8% of the land area and that 50% of the District is covered by AONB designations. Delivery of the proposed requirement for Mid Sussex would therefore have a detrimental impact on the quality of both the towns and the rural areas not protected by AONB. This Council will respond more fully to the White Paper however given the proposed approach towards the application of the housing requirement getting the need figure right at the outset is even more critical.

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Affordable housing threshold

The 'Changes to the Current Planning System' document proposes a radical change to the threshold for affordable housing contributions from the current threshold of 10 units to either 40 or 50 units in order to make more sites viable for SME developers.

Although this is proposed as a temporary measure the Council considers that this proposal should not be supported because of its detrimental impact on delivery of much needed affordable homes and because it is not necessary.

The majority of housing applications in Mid Sussex are under the 50-unit threshold and therefore there would be a significant loss of affordable housing if this proposal was adopted. In 2019/20 94% of the 211 residential applications were on sites below 50 units. Indeed only 7 of these applications (3%) were between 40 and 50 units and only 14 applications (6%) were above 50 units. Clearly a change in the threshold will have a significant impact on delivery of affordable homes.

In addition, the Council does not believe that there is local evidence that SMEs require the level of support proposed. Mid Sussex regularly monitors housing delivery rates on sites and has been told by a number of SME developers that because of pent up demand and the Stamp Duty holiday there has been a significant rise in sales of properties. With the measures already implemented by the government regarding extending the life of planning permissions and extending on site working hours houses are being built and at pace. In addition, SMEs have been supported through a local Countywide protocol facilitating deferment of s106 infrastructure payments. It is interesting to note that there have only been 8 requests for deferment in Mid Sussex and the majority of these have been from volume housebuilders such as Redrow and Linden Homes. In summary there is no evidence that the proposed measure is required to support SMEs and the negative consequences would be significant.

Appendix A sets out this Council's technical response to the proposals. A further response will be submitted on the White Paper.

Yours sincerely



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Cabinet Member for Housing and Planning

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