

Matter 1. The housing requirement

Issue 1: Whether the plan’s housing requirement makes sufficient provision for new homes.

- a) Local housing need
- b) Unmet need from neighbouring authorities and its effect on the plan’s housing requirement
- c) Whether the housing requirement needs to be uplifted to meet any other need such as that for affordable housing
- d) Whether a stepped requirement is appropriate

1 Local Housing Need

1.1 We note that MSDC in MS-TP 2 look to amend the LHN figure from 1,090 to 999 dwellings per annum based on latest affordability ratios and a base date of April 2025 rather than April 2023. Whilst we support this approach, we note it has associated implications on the base date for the plan, and thus what can be included within the housing land supply. To this end adopting the April 2025 rather than the April 23 figure as proposed by MSDC, and having regard to the Winchester Local Plan Inspectors initial findings at para 2 p3 of ED38a¹ on this matter we believe the position would change thus:

	MSDC		Notes	Alternative			Notes
Base date	2021/22			25/26			
End date	2040/41			2040/41			
	19 yrs			15 yrs			
Completions	2021/22 – 2024/25	4,324		0	0		
LHN	999dpa x 19	18,981		999dpa x 15	14,985		
Unmet needs of CBC		1,693	8.19% of overall requirement		1,693		10.15% of overall requirement
Housing requirement		20,674 1,088dpa			16,678 1,111dpa		
Overall supply		21,241			16,917	21,241 – 4,324	
Surplus / Deficit		+567	2.74% of overall requirement		+239		1.43% of overall requirement

Whilst the above would still accommodate the same proposed contribution to unmet needs it would reduce the surplus/ headroom from 2.74% to 1.43% and thus could call into question the issue of the scale of the contribution to unmet needs and/ or the scale of the surplus/ headroom, both of which we turn to below/ in our Matter 2 Statement.

In addition, the above will impact on the 5 yr housing land supply calculation, a point we address in our Matter 2 Statement.

¹ <https://www.localplan.winchester.gov.uk/local-plan-2020-2040/examination-page>

2 Unmet need

2.1 We note that since the plan was submitted the position on unmet need within the Northern West Sussex Housing Market Area has evolved, with Crawley's unmet need being crystallised in their Local Plan (Oct 2024) at 7,505 dwellings over the plan period (2023 to 2040); and Horsham's changing from one of meeting their needs in full, to one that upon submission proposed an unmet need of 2,377 predominantly due to Water Neutrality, and is now, since the withdrawal of the Water Neutrality Position Statement in Oct 25, looking to meet its needs in full again.

2.2 Within the context of the above we note that annex 3 of IDJB-01 makes it clear that in setting the housing requirement the plan should seek, as far as is reasonably possible, to respond to declared unmet housing need, and in particular as Crawley is in the same principal housing market area, make an allowance based on a reasonable proportion of Crawley's unmet need figure. To this end, whilst conscious of Brighton and Hove's significant unmet need, we note the Inspector's considerations in Annex 3 of IDJB-01 whereby Crawley is highlighted as being of immediate relevance.

2.3 We further note that MSDC in MS-TP 2 looks to make an allowance of 1,683 towards Crawleys unmet need, which equates to 22% of the unmet needs of Crawley. As the Inspector will recollect policy DP4 of the adopted Mid Sussex Local Plan includes a contribution of approximately 1,500 dwellings towards the unmet needs of neighbouring authorities within the Northern West Sussex HMA, namely Crawley². This was comparable to the figure Horsham looked to contribute and thus meant both authorities contributed 30% each, 60% overall to CBC unmet need.

2.4 Given the above the question is, is a contribution of 1,683 (22%) towards Crawleys unmet need reasonable given the ever increasing scale of unmet need within the region, should it be more so as to be more closely aligned to that provided before³, or should it in fact be less given the constraints on development within Mid Sussex.

2.5 As per our former reps on what was then Matter 6, it is in our opinion unreasonable to look to MSDC to meet all of CBC unmet needs, and we note DC4 concludes as much in para 6.35; whilst Paragraph: 022 Reference ID: 61-022-20190315 of PPG is clear in that local authorities are not obliged to accept needs from other areas where it can be demonstrated that it would have an adverse impact when assessed against policies in the Framework. The issue is thus whether MSDC have demonstrated that the extent to which they have sought to address the unmet need of the NWS HMA is as far as they can go given the findings of the SHLAA and site assessment methodology, or whether there are additional sites that could help address the unmet needs that would not tip the balance.

2.6 In our former response to what then was Matter 2 (Q23, Q26 and Q27) we addressed the issue of the tipping point and MSDC's position on why given the supply led approach the Council have adopted to their housing land supply, the site sifting exercise undertaken basically arrived at a point where no further sites were thought to be suitable. As set out in

² At the time CBC unmet need was 5,025.

³ 30% of 7,505 would be 2,251 i.e. 558 more than proposed at present.

out earlier response, CBC, HDC and B&HBC were party to the site selection methodology⁴. The table set out within para 5.20 of the NSW Housing SoCG (DC4) is clear in that *‘Authorities are given the opportunity to scrutinise and comment on each other’s methodologies and high-level outcomes through ongoing engagement at the earliest opportunity, in addition to and without prejudice to each LPA’s statutory consultee roles as part of the formal plan-making stages.’* And *‘The work of each respective authority has been carried out diligently and there is broad cross-authority support for the principles underpinning the respective site assessments.’*

2.7 In the context of the above the table within para 6.41 of DC4 concludes that *‘There are no further suitable and/or deliverable sites on or close to administrative boundaries which could contribute towards increasing housing supply within this plan period’*; and para 9 of DC5 concludes *‘There are currently insufficient available, suitable and developable sites in the southern area of Mid Sussex (within the Coastal West Sussex HMA) to meet unmet needs from Brighton and Hove beyond those already proposed for allocation’*.

2.8 SSP3 (the Site Selection Conclusions Paper) provides a detailed review of the site selection process, starting with the SHELAA, the Site Selection Methodology, the three stages of the site assessment process (relationship to settlements, showstoppers, and overall assessment against the 14 detailed assessment criteria set out in Appendix 1 of SSP3), the in-combination testing (including, transport modelling, habitats regulations assessment, air quality modelling and viability assessment), and fact checking with the site promoters. It is clear that this was a detailed and iterative process. Furthermore section 3 of SSP3 provides a detailed review of the process undertaken by the Council in determining which sites were to be taken forward as Significant Sites, and why those which were not chosen were rejected. In this context we note that sites such as the land at Hangman’s Acre Farm and Little Walstead, Lindfield was dismissed given concerns over its availability and deliverability as well as uncertainty regarding the quantum and uses for the site⁵; and the Broad location west of the A23 was dismissed given doubts about its availability, and concerns about its potential impact on the setting of the Souths Down National Park.

2.9 Given the above it is clear that not only did MSDC review a significant number of sites through the SHLAA process (270 sites with a yield of 32,283), but at stage three (further testing) they still had 49 sites yielding 14,654 dwellings – see diagram below taken from p10 of SSP3.

⁴ See para 7 of the B&H SoCG (DC5), and section 5 of the NSW Housing SoCG (DC4)

⁵ see para 3.29 of SSP3.



2.10 It was only through the final sifting stage that the Council arrived at the 24 sites they have looked to allocate.

2.11 The evidence base would, having regard to the above, suggest that MSDC have done all they reasonably can to try to address the unmet needs of the NWS HMA, but given the supply led approach and various constraints have not been able to identify any further sites at this stage.

2.12 If in the context of the above it is concluded that more homes are needed to address the unmet needs of the wider area, we would suggest that additional allocations could be made elsewhere within the district to meet Mid Sussex needs/ help bolster the unmet needs of the wider area; and that if the assessment criteria were amended this exercise could help identify additional allocations in a relatively short timeframe. To this end we would highlight the fact that the Council's overarching strategy for delivering sustainable development as set out in section 4.2 of the recently adopted Position Paper (O15) effectively does this and that a further review of sites in accordance with the Settlement Hierarchy to ensure that there is not an unsustainable distribution of housing could elicit further sites that could help enhance MSDC ability to meet the unmet needs of its neighbours, especially Crawley.

2.13 It should also be noted that CBC unmet need is in their latest local plan some 2,480 more than it was in the last local plan, such that asking MSDC to take 30% will as indicted above lead to a need to accommodate 568 more home than proposed at present. It is also important to note that if the base date if the plan were revised as indicated above then at 1,693, the share of overall requirement attributable to meeting CBC unmet needs would increase from the 8.12 to 10.15%⁶. Likewise, it is only fair that this issue is looked at in the context of the evolving position at Horsham, and it would thus be helpful if MSDC could confirm if they, CBC and HDC have discussed this further in the light of the change in circumstances at Horsham.

⁶ 1693 = 8.12% of 20,674 and 10.15% of 16,678.

c) The need for an uplifted to meet any other needs such as that for affordable housing

3.1 Paras 17 – 19 of Housing Need and Requirement Topic Paper (H5) and paras 5.18 to 5.49 of the SHMA (H1) consider the circumstances set out in PPG by which the housing need may be higher than the standard method. They conclude that *‘there are no circumstances in Mid Sussex District relating to growth funding, strategic infrastructure improvements or affordable housing need which indicate that ‘actual’ housing need is higher than the standard method indicates.*’ My emphasis

3.2 Having regard to the findings of H1 and H5, we can see no justifiable reason to adopt a different approach to the calculation of the minimum housing need in this instance.

3.3 In the context of the above section 5 of MS-TP2 indicates that the updated SHMA (H6) has arrived at a reduced affordable housing requirement to the former SHMA, as set out below, which suggests that the affordability issues facing the district whilst still significant are reducing.

	2021 SHMA (H1)	Oct 24 SHMA (H6)
Affordable rent	470dpa	383dpa
Intermediate or low cost home ownership	455dpa	311dpa
Total	935	694

3.4 The above is borne out by the ONS affordability ratios published in March 2025, wherein the ratio of median house price to median gross annual workplace-based earnings by local authority district, England and Wales (1997 to 2024), indicates that whilst the ratio of median house price to median gross annual workplace-based earnings in MSDC has increased significantly over the past 10 years from 9.71 to 11.35, it has seen a reduction in the past year from a high of 13.11 in 2022, as set out below.

Extracts from ONS median house price to median gross annual workplace-based earnings across West Sussex - 1997 to 2024

Authority	2012	2014	2016	2018	2020	2022	2024
Crawley	6.57	7.24	8.10	9.09	8.21	8.97	7.93
Horsham	10.46	12.11	13.09	13.87	12.57	13.25	11.68
Mid Sussex	9.71	11.38	12.61	12.68	12.48	13.11	11.35
Lewes	9.06	9.46	10.03	9.88	11.38	12.37	12.09
Wealden	10.07	11.71	11.45	11.82	11.66	13.42	11.62

3.5 Given the above we do not see, in this instance, a need for an uplifted to meet any other needs such as that for affordable housing.

d) Whether a stepped requirement is appropriate

4.1 We note that taking the same approach to the adopted District Plan, MSDC are in MS-TP2 now proposing that the housing requirement is stepped and that this is reflected in its housing trajectory as follows:

	DPA	Total
2021/22 – 2030/31	999	9,990
2031/32 – 2039/40	1,187	10,684
		20,674

4.2 The principle behind the stepped trajectory in the adopted plan was in part predicated on ensuring the resilience of the rolling 5 yr housing land supply, the timing of unmet needs arising in the housing market area, the need to identify further housing allocations, and the need to avoid further harm to the Ashdown Forest SAC. As drafted in MS-TP 2 the rationale for adopting a stepped trajectory now seems to relate purely to the first of these four points and could, given delivery rates in recent year⁷ be open to debate. That said we note that without a stepped trajectory, or additional allocations, the Council will not be able to maintain a rolling 5 yr housing land supply, albeit, as per our Matter 2 Statement re the housing supply we do have concerns over the basis of the current 5 year housing land supply calculation, and overall supply, which could impact upon both the need for a stepped trajectory, the headroom in the housing land supply and the potential scale of the contribution to the unmet needs of Crawley.

4.3 Whilst the concerns about the 5 year supply could be addressed by the introduction of additional evidence from site promoters with larger sites within the 5 year supply and by the Council themselves revising their approach to the Significant Sites, this still assumes a stepped trajectory. If the trajectory is not stepped, as indicated below there would be a deficit upon adoption unless additional sites were introduced to help address this

	Stepped	Even
Total Housing Supply in years 1-5	5,632	5,632
Total five year supply requirement	5245 (999 x 5 plus 5% buffer = 1,049dpa)	5,712 (1,088 x 5 plus 5% buffer = 1,142dpa)
Supply surplus/shortfall	+387	- 80
Five year land supply	5.37	4.93

4.4 As our concerns about the overall supply suggest the need to allocate additional sites to help address any deficit, this does suggest that it may be that the council need to provide for additional allocations rather than look to introduce a stepped trajectory again.

4.5 Planning Practice Guidance is clear about when a stepped housing requirement may be appropriate in plan-making, Paragraph: 012 Reference ID: 68-021-20190722 advising: *'A stepped housing requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and / or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to identify the stepped requirement in strategic housing policy, and to set out evidence to support this approach, and not seek to*

⁷ See table 4 of MS-TP 2

JAA for Wates Developments Limited
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unnecessarily delay meeting identified development needs. Stepped requirements will need to ensure that planned housing requirements are met fully within the plan period. In reviewing and revising policies, strategic policy-makers should ensure there is not continued delay in meeting identified development needs.

4.6 In the context of the above we note the housing requirement has changed from 16,390 over the current 17 year plan period (i.e. an average of 964dpa) which was stepped at 876 dpa for years 2014/15 until 2023/24 and 1,090 dpa from 1st April 2024 until 2030/31; to 20,674 over 19 years i.e. an average of 1,088dpa. This is an average uplift of 124 dpa or circa 13% more than that advocated in the adopted Local Plan. The question has to be asked - is the significant? Likewise, when it comes to the significant sites, we note all three are being positively promoted and have developers keen to pursue applications and delivery at pace; with our Matter 2 statement making it clear Wates can deliver houses on Crabbet Park from year 5, such that there is no reason to assume delivery of the later in the plan period. As such we would question whether a stepped trajectory is justified and suggest that rather than promote a stepped trajectory the council look to allocate additional sites to help ensure a 5 year supply upon adoption and rolling 5 year supply thereafter.

Overall conclusions on the housing requirement

In pursuing a LHN figure of 999 and a minimum unmet need figure of 1,693, MSDC will, given our comments on Matter 2 and using MSDC figures, have in our opinion to increase the headroom figure from that currently advocated to at least 5.5% of the overall housing requirement i.e. from 567 to 1,137 dwellings which is 570 more than currently provided for. We do not believe the unmet need figure should be reduced to facilitate an enhanced headroom figure, rather additional sites need to be allocated to accommodate this. This would also assist with the 5 year housing land supply and rolling 5 year supply and is not dissimilar to the position MSDC found themselves in during the last local plan examination, where having been asked to review this matter an additional site was allocated at Clayton Mills⁸.

⁸ See DP11 of adopted MSLP – 500 dwellings