

MSDC response to Action Point AP-018

Action Point AP-018

Council to go through all the housing evidence base and all policy documents, including the SA and the detailed site selection process and relevant topic papers to highlight any explicit instances where the evidence which supported the submitted Plan is not consistent with the contention made by the Council during the hearings that the Plan has been prepared in accordance with Option 2 for Policy DPH1 in the Sustainability Appraisal. Where there are inconsistencies, please set out what, if any, are the implications. This should be set out clearly and once complete will be subject to a 10-day consultation period.

Context

1. The Council has submitted a District Plan which meets the district's housing need and contributes towards unmet need arising elsewhere. At the hearing sessions, the Council was asked to explain how unmet need had been factored in to assessments, including the Sustainability Appraisal and Site Selection process. In particular, there was discussion about the appraisal of policy **DPH1: Housing** in the submitted Sustainability Appraisal and whether the Council had progressed with Option 1 (meeting Mid Sussex housing need) or Option 2 (higher growth – above and beyond meeting Mid Sussex housing need). **At the hearings the Council confirmed that the Plan had been prepared in accordance with Option 2.**
2. In particular, the Council had not set minimum or maximum housing targets for growth when considering how much development it could accommodate, but had instead, adopted a 'capacity-led' approach which resulted in more homes being identified than were required to meet the district's own housing needs. Significantly, the Council did not then reduce the number of allocated sites so that the plan simply met the Mid Sussex Housing Need (option 1) but allocated all the sites which had been identified. The evidence produced by the Council therefore demonstrates that a higher growth approach has been adopted.
3. The Council recognises that there are two potential ways of carrying out an exercise to determine the extent to which it could contribute to unmet needs arising in neighbouring areas. The first would have been to recognise the extent of unmet need and see how many suitable/sustainable sites could be found in order to meet it. The second would be to assess sites for their suitability/sustainability and allocate as many of those as were needed to not only meet Mid Sussex need, but that of adjoining areas – this is more aligned with the approach the Council took. In practice, both approaches would have arrived at the same conclusion and both an effective and positive way of planning for unmet need. The evidence set out in this Action Point response demonstrates the Council's positive approach towards unmet need.
4. **As instructed by the Inspector, this note goes through the Council's housing evidence base and policies and highlights instances where the evidence could**

appear to not be consistent with Option 2 for Policy DPH1 in the Sustainability Appraisal. The Council’s statement during the hearings that the Plan has been prepared in accordance with Option 2 in the Sustainability Appraisal is supported by evidence.

Submission District Plan [DP1]

5. Policy **DPH1: Housing** of the submission District Plan [DP1] sets out the district’s housing need for the plan period and how this will be met, through commitments, allocations and windfall allowance. All versions of the Plan (Regulation 18, Regulation 19/Submission and Council’s Suggest Main Modification M67) have shown an over-supply of housing. When the District Plan was submitted for examination, this figure stood at 996 dwellings. The supporting text to Policy DPH1 explains that the Council is fully cognisant of unmet need arising within its primary Housing Market Area and sub regions and that this over-supply serves as a contribution towards this unmet need.
6. At the hearings it was confirmed that the over-supply figure in DPH1 should be attributed solely towards unmet need.

Sustainability Appraisal [DP7 and DP8]

7. The District Plan has been supported and informed by a Sustainability Appraisal (SA) at both Regulation 18 [DP8] and Regulation 19 [DP7] stages.
8. The Sustainability Appraisal includes 14 Sustainability Objectives against which reasonable alternative options are appraised for their impact – ranging from “Major Negative” to “Major Positive”.
9. Objective 1 relates to housing. The objective is:

“To ensure that everyone has the opportunity to live in a home for their need and which they can afford”
10. The Objective does not distinguish between need arising within Mid Sussex, or elsewhere (e.g. ‘unmet need’). The Objective does not set a target figure.

Regulation 18 SA

11. The Regulation 18 SA assessed policy **DPH1: Housing** at D78 (p.216). The assessment was based on meeting the district’s Local Housing Need in full with an **over-supply of 302 dwellings** based on the Council’s assessment of potential supply, at that time.

Policy Reference	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Housing	Health & Wellbeing	Education	Community & Crime	Flooding	Natural Resources	Biodiversity	Landscape	Cultural Heritage	Climate Change & Transport	Energy & Waste	Water Resources	Economic Regeneration	Economic Growth
DPH1	++	+/-	0	+/-	-	--	+/-	--	-	-	-	0	0	0

12. The Sustainability Appraisal records a ‘++’ impact against the Housing objective and concludes:

“Policy DPH1 sets out the district’s local housing need over the Plan period, against the housing supply identified within the Plan, where the identified housing supply has exceeded minimum dwellings required by 302 dwellings. By surpassing the required housing need, the policy would be likely to ensure that there will be sufficient houses to meet the needs of current and future residents, and therefore a major positive impact on housing provision would be expected (SA Objective 1).”

13. The appraisal and conclusion reached within the SA supports the principle of identifying sites from the supply and does not set a cap at meeting the district’s housing need. This informed and is consistent with the over-supply set out within the Regulation 18 version of the Plan [DP15].

Regulation 19 SA

14. Paragraph 1.3.1 (page4) of the Regulation 19 SA sets out the level of housing need in Mid Sussex and the position in relation to the minimum number of dwellings required to meet that need. Paragraph 1.3.2 goes on to set out the Council’s engagement with the West Sussex and Greater Brighton Strategic Planning Board and Northern West Sussex Housing Market Area and the unmet need position arising at the time of writing. The SA has therefore been cognisant of unmet need when appraising reasonable alternative options.

15. Reasonable alternative options for Policy **DPH1: Housing** are set out in the Regulation 19 SA at B-79 (p.233). The alternative options were:

Option 1 - Housing Requirement Approach: meet the housing requirement calculated for Mid Sussex by allocating the most suitable sites in line with the site selection methodology.

Option 2- High Growth Approach: identify sites above and beyond the housing requirement.

16. Note that Option 2 does not place a minimum/maximum figure on the extent to which the approach would identify sites above and beyond, however based on the Council’s potential supply at this time, the excess was then 996.

Policy Option DPH1	SA Objective													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Housing	Health and Wellbeing	Education	Community and Crime	Flooding & Surface Water	Natural Resources	Biodiversity & Geodiversity	Landscape	Cultural Heritage	Climate change & transport	Energy and Waste	Water Resources	Economic regeneration	Economic growth
1	+	+/-	0	+/-	-	--	+/-	--	-	-	-	0	0	0
2	++	+/-	0	+/-	-	--	+/-	--	-	-	-	0	0	0

17. The appraisal results for Option 2 (High Growth Approach) are identical to those reached in the Regulation 18 SA which considered growth of 302 dwellings in excess of the district’s housing need. In both cases, a Major Positive (++) is recorded against Objective 1 – Housing, with scores against all other objectives the same.
18. The SA concludes:
“Both Options will have a similar impact on the SA Objectives; however, by surpassing the required housing need, Option 2 would be likely to ensure that there will be sufficient houses to meet the needs of current and future residents, and therefore a major positive impact on housing provision would be expected whereas by meeting the housing supply a minor positive impact is expected for Option 1 (SA Objective 1). Option 1 was brought forward as this was the more realistic Option for the delivery of housing in the district.”
19. Informed by the findings of the SA, the Regulation 19 draft District Plan **included an over-supply of 996 dwellings in policy DPH1: Housing**, i.e. an increase since Regulation 18 stage. This is plainly not consistent with Option 1 (simply meeting MSDC’s housing requirement) but is entirely consistent with Option 2, since Policy DPH1 clearly identifies provision of sites above and beyond the district’s housing requirement.
20. **The Council recognises that the SA states that Option 1 was brought forward, but in view of the fact that in Policy DPH1: Housing the Council is delivering an over-supply (which is consistent only with Option 2) this was clearly incorrect. The Council explained this at the hearing sessions.**
21. At Submission, the Council proposed a main modification [DP2, M67] to extend the Plan Period to 2040 and to reflect the latest Standard Method calculation of housing need (1st April 2024). Should this modification be accepted, **the over-supply will increase to 1,042. This is also consistent with Option 2 in the SA.**
22. At the hearings, the Council was asked to calculate what the surplus/shortfall would be if the Plan had been extended to 2040 at Regulation 19 stage, with all other figures as at January 2024. This concluded there would be a surplus of 310 dwellings. This too is in accordance with Option 2 in the SA and close to the figure set out in the Regulation 18 Plan.

Housing Need and Requirement Topic Paper [H5]

23. The Council prepared a Housing Need and Requirement Topic Paper [H5] which was submitted alongside the Plan. The paper sets out the Council's considerations when establishing housing need, and how it has determined the housing requirement for inclusion in the Plan. This includes a summary of the content of the SA.
24. Paragraph 80 describes the two options that were appraised. Paragraph 81 states: "The appraisal results for both options are similar, with option (2) scoring more positively with regards to delivery of housing as housing supply would be greater. However, the SA notes that option (1) is preferred as it presents a more realistic option for the delivery of housing within the district. This conclusion was reached on the basis that there are insufficient suitable/deliverable sites identified within the Site Selection process that would be strategy compliant to meet growth levels in excess of option (1)"
25. This paragraph simply recites and relies on the SA's comments with respect to the preferred option. However, as noted above, there is an inconsistency between the findings set out in the SA (transposed into the Topic Paper) and policy DPH1 in respect to the higher growth it is planning for. It is patently not the case that there were insufficient suitable/deliverable sites that would be strategy compliant to meet growth levels in excess of Option 1, and the Council has not limited itself to allocating sites which are sufficient to only satisfy Option 1.
26. The Plan clearly shows higher growth i.e. over delivery beyond meeting the district's housing need at all stages of plan making - Regulation 18, Regulation 19, Submission and in the proposed main modification.

Site Selection Process and Conclusions [SSP1, SSP2, SSP3]

27. The Site Selection Methodology [SSP1] sets out the Councils approach to assessing all sites in the SHELAA for potential allocation, rejecting those that are not considered suitable and/or have a reasonable prospect of being delivered for development when considered against a range of site selection criteria. It is one of the tools the Council has used to inform the final suite of proposed site allocations alongside the SA [DP7], Habitats Regulations Assessment [DP10] and iterations of the Transport Study [T2 – T8].
28. The Council consulted with stakeholders on this methodology and has applied it in previous Plans.
29. The results of the assessment are set out in the Site Selection Conclusions Papers published in October 2023 to support Regulation 19 consultation [SSP2] and updated post-consultation in July 2024 [SSP3].
30. The Site Selection Methodology does not consider a 'target' housing supply figure that must be reached. It does not concern itself with either Option 1 or Option 2 set out in the SA. The results from the Site Selection process have helped to inform the assessment against each of the Sustainability Objectives and ultimately whether any particular option or site would be suitable for allocation but without a 'target' figure in mind.
31. The Methodology references housing need in the following paragraphs:

Paragraph 1 – *“It will determine the overall strategy for future development across the district to 2039 including the location of residential development to address housing need.”*

32. This does not distinguish between Mid Sussex need or needs arising from elsewhere.

Paragraph 63 – *“The NPPF states that plans should “provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas” (NPPF, paragraph 11). Until the site assessment work is undertaken it is not known to what extent the District Plan will be able to meet the housing needs of Mid Sussex and potentially unmet need arising elsewhere. The site selection process may therefore need to be an iterative process, with the outcomes at Stages 2 and 3 revisited if necessary, to ensure these requirements have been fully considered.”*

33. It is clear from this that site selection was not carried out on the basis that the Council was pursuing Option 1, without regard to the needs of adjoining areas. In particular, the second sentence demonstrates that the Council was prepared to assist in meeting wider needs, if sufficient suitable sites were identified. This demonstrates that the Site Selection Process was intended both to meet Mid Sussex’s housing need and to contribute towards needs arising elsewhere. It did not place any cap on the number of sites identified or their associated capacity.
34. The Site Selection Process confirms this by identifying an over-supply of housing which is consistent with Option 2 of the SA.
35. As described in paragraph 55 of the methodology, Stage 3 of the Site Selection Process involves in-combination testing including transport modelling and Habitats Regulations Assessment. Previous stages of the methodology consider sites on an individual basis, whereas Stage 3 allows development scenarios to be tested to assess in-combination impacts.
36. Development scenarios were tested at Stage 3. The Transport Modelling raised particular concerns related to the quantum and locations for growth, such that ‘Severe’ impacts on the highways network were present at Regulation 19 stage. The Council engaged with the statutory highways bodies to conclude that there was prospect of mitigation so that ultimately the proposals would not be ‘severe’. However, given the results emerging from this work at Regulation 19 stage, the Council concluded that it had proposed the right level of growth given this constraint and did not revisit sites that had been rejected at Stage 2.
- 37. Therefore, there are no inconsistencies with the contention made by the Council during the hearings that the Plan has been prepared in accordance with Option 2.**

Strategic Housing Market Area Assessment (SHMA) [H1]

38. The Strategic Housing Market Area assessment (SHMA) [H1] was completed in October 2021. This pre-dates the Sustainability Appraisal and Site Selection conclusions and

therefore is not directly related to their outcomes.

39. The SHMA sets out Mid Sussex housing need and considers whether there are any circumstances by which actual housing need is higher than the standard method indicates. It concludes there are none. At the time of its production, the amount of unmet need arising elsewhere had not been confirmed and nor had the extent to which the Council could meet its own housing need.
- 40. Therefore, there are no inconsistencies with the contention made by the Council during the hearings that the Plan has been prepared in accordance with Option 2.**

Housing Supply and Trajectory Topic Paper [H4]

41. The Housing Supply and Trajectory Topic Paper [H4] outlines the Council's position on unmet need in paragraphs 3.7 - 3.9. This repeats the priority given to the Northern West Sussex Housing Market Area should any authority within that grouping be able to assist with meeting unmet need.
42. Paragraph 3.9 outlines the position should the proposed modification (M67) extending the plan period to 2040 and updating DPH1: Housing to reflect the position as at 1st April. It concludes the oversupply of 1,042 and confirms any excess will serve as a contribution towards unmet need, with the Northern West Sussex HMA taking priority.
- 43. Therefore, there are no inconsistencies with the contention made by the Council during the hearings that the Plan has been prepared in accordance with Option 2.**

Council Governance [P7 and P9]

44. The Council has planned positively to ensure that it can meet the district's housing need and contribute towards unmet need arising elsewhere. It has consciously sought to increase supply. This is explicitly referred to in the Council Reports recommending approval of the Regulation 18 [P9] version of the Plan for consultation and the Regulation 19 version of the Plan [P7].

Regulation 18

45. At Regulation 18 stage, the report sets out the Council's legal Duty to Co-Operate and consideration of unmet needs arising from neighbouring authorities (para 41). In para 44 it sets out the current position with respect to unmet need, noting the unmet need in the two relevant HMAs amount to approximately 30,000 dwellings. It also sets out the priority order for meeting need which is also set out in the supporting text to DPH1: Housing. The report explains that the Site Selection process will determine the extent to which it can assist.
46. The report concludes that the Regulation 18 Plan can meet Mid Sussex housing need with an over-supply of 302 dwellings (para 63) and that this will contribute to unmet need within the priority Housing Market Area.

Regulation 19

47. Paragraph 58 of the Scrutiny report explains that Housing Need had reduced from 1,119 dwellings per annum to 1,090 dwellings per annum between Regulation 18 and 19 and that when combined with the latest completions/commitments data the district's

housing need had reduced.

48. However, in para 88 the report notes that the plan should not remove any sites from the Plan despite a reduction in the district's housing need. This increased the over-supply from 302 dwellings at Regulation 18 stage to 996 dwellings thereby increasing the Council's contribution towards unmet need.
49. This demonstrates the Council's continued commitment to supporting higher growth (Option 2) and planning positively to contribute as much as it can given its own constraints.
50. **Therefore, there are no inconsistencies with the contention made by the Council during the hearings that the Plan has been prepared in accordance with Option 2.**