

Mid Sussex District Plan Examination

Matter 6: Housing

Issue 1: Whether the Council's approach to calculating its full, objectively assessed needs and housing requirement is justified, based on up-to-date and reliable evidence, effective, positively prepared, and consistent with national policy?

Housing Requirement

67. Is a minimum housing requirement of 19,620 justified and consistent with national policy? What is the status of the 996 dwellings referenced within the table in Policy DPH1 as total under/over supply for resilience and unmet need? Should this figure be included within the annual housing requirement for the district?

1. No – the stated minimum figure (19,620 in the Submitted Regulation 19 draft Plan, but updated to 19,741 in the Schedule of Proposed Modifications – DP2 – Modification ref: M67) is not justified or consistent with the NPPF¹ as a housing requirement figure.
2. It is considered that the Council has not correctly identified its housing requirement within the Plan; there is a difference between 'housing need' and a 'housing requirement' as set out in Paragraph 66 of the NPPF which states that *"Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period."*
3. From this, it is clear that the NPPF anticipates the housing requirement for an authority to be made up of more than one component, of which housing need would likely make up the majority. However, this is not the only component and, as the NPPF sets out, this could / should also include any unmet needs of neighbouring authorities.
4. This is amplified by Paragraph 74 of the NPPF which states that *"Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old."* A clear distinction is made here between when the housing requirement figure should be used and when the housing need figure should be used; the former being for up to date adopted Local Plans and the latter for when a Local Plan is over 5 years old.
5. As such, the stated 19,741 dwellings is the Council's baseline minimum housing need figure, and should be expressed as such in the Plan. However, the Plan should set out its total housing requirement covering both components of need, as required by Paragraph 66, and it is this figure against which the provisions of Paragraph 74 for an identifiable 5 year supply of housing would be considered against. Without the express inclusion of the 'unmet need' provision within the housing requirement for the Plan, the Council would be under no obligation to provide it.
6. As such, whilst the baseline housing need for Mid Sussex calculated using the standard method is justified (albeit, we consider that an affordability uplift should be further provided – more detail on this is provided in response to Issue 68, below) and consistent with the requirements of the NPPF as the starting point for calculating housing need, this should not be stated as the minimum housing requirement for the Plan. The housing requirement should also

¹ All references to the NPPF in this statement relate to the NPPF September 2023, in line with the prescribed transitional arrangements of the NPPF December 2023.

expressly include any further affordability uplift from the standard method and any unmet needs from neighbouring authorities being provided for, and be set as an overall housing requirement for the Plan.

Stated housing supply 'buffer'

7. The implication of the specific question that has been asked is that the status of the 'total under/over supply for resilience and unmet need' is considered unclear, and we would agree.
8. The wording used in the table in Policy DPH1: *Housing* (and repeated in other documentation also, including in the Housing Need and Requirement Topic Paper (Ref: H5)) refers to under/over supply for two things: 1) resilience, and 2) unmet need. But the 'buffer' cannot be for both unless expressly divided up in to the two elements, which is not the case as only one figure of 996 dwelling (updated to 1,042 dwellings in the Schedule of Proposed Modifications – DP2 – Modification ref: M67) is stated. Any 'resilience' provision would be, to all intent and purposes, a bonus which the Council is under no obligation to provide for. By contrast, any 'unmet needs' provision explicitly forms part of the housing requirement definition set out in the NPPF, against which the rolling 5 year housing land supply position, required of the Council at Paragraph 74 of the NPPF, will be assessed.
9. Therefore, the Plan needs to be clear as to whether or not unmet needs of neighbouring authorities are being expressly addressed. If the Council only intends the Plan to meet the housing needs of Mid Sussex and the stated over supply is resilience to ensure this, then the wording of the Plan needs to be clear with the reference to 'unmet needs' omitted. However, if the intent actually is to provide for unmet needs of neighbouring authorities, which we consider should be the case (we address this in further detail in relation to Issue 68, below), then this provision should be clearly identified and included as part of the housing requirement of Policy DPH1, against which supply should then be measured.

68. Are there other considerations that are likely to drive an increase in the homes needed locally, such as any needs that cannot be met within neighbouring areas namely the 30,000 dwellings of unmet need identified up to 2050 in the Coastal West Sussex and Greater Brighton authorities, Housing Need and Requirement Topic Paper (HN RTP) (H5), and the more immediate housing needs of Crawley, Brighton and Horsham?

10. Yes – as set out in further detail below, we consider that both housing affordability and the unmet needs of neighbouring authorities are other considerations which increase the homes needed in Mid Sussex.

Affordability

11. We have previously set out in our representations at both the Regulation 18 and Regulation 19 stages that affordability of housing within Mid Sussex District is an on-going and increasing concern with median house prices being 13 times higher than median incomes. Chapter 3, at Page 16 of the Plan, acknowledges that *"although affordable homes are consistently being delivered in the district, the need for affordable homes is not met by existing or planned supply."*
12. The current District Plan (2014-2031) provides for a minimum of 30% affordable housing provision (Policy DP31), but the Council's annual monitoring reports since the beginning of the Plan period in 2014 confirm that affordable housing delivery has failed to reach this minimum provision. The cumulative provision over the period 2014 to 2023 has only delivered 22.7% affordable housing, with the annualised provision showing that affordable housing completions have only exceeded that minimum 30% target in two years over the nine year period, as follows:

Table 1 – Affordable Housing completions 2014 to 2023

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Cumulative
Total Housing Completions ^a	630	868	912	843	661	1,003	1,116	1,187	1,053	8,273
Affordable Housing Completions ^b	221	113	168	97	102	214	245	349	369	1,878
% Affordable Housing	35.1	13.0	18.4	11.5	15.4	21.3	21.9	29.4	35.0	22.7

^a Taken from Table 5 – Annual Monitoring Report 2022/23

^b Taken from Table 7 – Annual Monitoring Report 2022/23

13. Policy DPH8: *Affordable Housing* of the Submission Regulation 19 District Plan does not propose to change the minimum requirement, keeping it at 30%.
14. Housing unaffordability is not new to Mid Sussex and, therefore, Local Plan policy must provide a proactive and robust response that should be rooted in increasing the housing requirement overall, or merely seeking to be stricter in imposing affordable housing policies (which should also be pursued as an objective, but is not). Maintaining the status quo in terms of level of the level of housing being planned for overall – the standard method derived minimum housing needs – and the same percentage of affordable housing, which has not been consistently met, will do little to redress the affordability of housing and the ability to access affordable housing in the district.
15. As is stated in the Council’s Housing Need and Requirement Topic Paper (Document ref: H5), the standard methodology approach does already include an affordability adjustment. However, the PPG is clear that the affordability adjustment applied to the standard methodology formula is not a solution to problems of affordability (our emphasis):

“The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.” (Paragraph: 006 Reference ID: 2a-006-20190220)
16. Therefore, whilst the standard methodology will start to address issues of affordability, it will not in itself lead to a solution in a district such as Mid Sussex, which will require a more determined and focussed local policy response. The Council should incorporate an upward adjustment factor of its own to address the specific problems of affordability.

Unmet needs of neighbouring authorities

17. As is set out in numerous documents, including the Statements of Common Ground now provided in the Examination Library, the level of unmet housing needs from neighbouring authorities is not disputed by the Council and indeed it appears that the Council intends to make some contribution to these unmet needs (albeit that this should be expressly included in the housing requirement for the Plan as stated in our response to Issue 67, above).
18. The Council has set out in the Housing Need and Requirement Topic Paper (Document ref: H5) what it considers the maximum housing delivery to be from the sites it considers to be developable following its site selection process, and this has dictated what it considers can be additionally contributed towards meeting unmet needs of neighbouring authorities.
19. However, as is set out in our previous submissions at both the Regulation 18 and Regulation 19 consultation stages, the methodology for site selection is unduly reliant on, in particular, Landscape Character Assessments that are not site specific, in determining the capacity of settlements to accommodate growth. Higher order settlements in the settlement hierarchy, including Hurstpierpoint, demonstrably have greater sustainability merits and growth potential than the outputs of the Council’s site selection process would suggest.

20. As such, potential sources of supply across the District, including Little Park Farm, Hurstpierpoint, have been unnecessarily and inappropriately excluded as a result (it is anticipated that site specific discussions, including omission sites, will be the subject of Stage 2 Examination sessions in due course), and that the housing delivery that could be sustainably achieved has not been maximised. It is therefore considered that the Plan should provide a greater contribution towards unmet needs of adjoining authorities.

72. Are any main modifications necessary for soundness, if so, why?

21. Yes – modifications to Policy DPH1: *Housing* are necessary.
22. At present, this policy is ambiguous as to what the housing requirement is to be, both stating that a buffer and a provision towards unmet needs is being provided for, but then only including the minimum housing need within the total housing requirement.
23. In addition, and more fundamentally, as currently drafted, the policy is unsound as it fails to deal with or properly address the key issues of unmet housing needs of neighbouring authorities and housing affordability across the District.
24. Policy DPH1: *Housing* should be amended, together with the supporting text to the policy, to make clear the components making up the housing requirement for the Plan as required by the NPPF at Paragraph 66 i.e.:
- What the minimum Mid Sussex housing need is, derived from the Standard Method;
 - The uplift in provision to contribute towards addressing housing unaffordability;
 - What the specific and necessary contribution is towards unmet needs of neighbouring authorities; and
 - Therefore, what the total housing requirement is for the Plan, against which housing supply and delivery will be assessed.

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