

7. DISTRICT PLAN: PRE-SUBMISSION DRAFT FOR PUBLIC CONSULTATION

REPORT OF: HEAD OF ECONOMIC PROMOTION & PLANNING
Contact Officer: John Cheston, District Plan Project Manager
Email: john.cheston@midsussex.gov.uk Tel: 01444 477067
Wards Affected: All
Key Decision: Yes
Report to: Council
Date of meeting: 18th March 2015

Purpose of Report

1. The purpose of this report is to request Council to approve the Mid Sussex District Plan 2014-2031 – Pre-Submission Draft (the District Plan) and its supporting documents for public consultation on issues of soundness and legal compliance. This would take place in May 2015. Authorisation is also sought to submit these documents to the Secretary of State following this consultation.
2. The report also explains the Government's new minimum site size thresholds for seeking infrastructure and affordable housing contributions and, where compatible with existing development plan policy, asks Members to authorise the approach to these thresholds in the interim until the District Plan is adopted.

Summary

3. This report sets out the background to the preparation of an updated Pre-Submission Draft of the District Plan (attached as **Appendix 1**) which it is recommended be published for public consultation on soundness and legal compliance in May 2015 after the pre-election period.
4. Whilst new evidence has been prepared, it continues to demonstrate that the overall strategy for new development in the May 2013 version of the Plan remains the most appropriate and sustainable. The Plan therefore remains essentially unaltered, but the policies and text have been updated to take account of representations received during the recent consultation.
5. A revised policy on housing provision has now been included in the Plan as work on housing need and supply has only recently been completed. Officers consider that the housing figure set out in this policy represents a sensible level of new development to support the local economy and the needs of the area, whilst safeguarding the special characteristics of Mid Sussex.
6. The District Plan was considered at the meeting of the Scrutiny Committee for Planning & Economic Development on 3rd March 2015, where it received unanimous support. A small number of changes have been made to the Plan in response to Members' requests during the meeting. These are as follows:
 - Chapter 3: paragraph 3.8 on supporting economic growth has been strengthened.
 - Chapter 3: the word 'local' in the first sentence of paragraph 3.10 has been deleted.
 - Policy DP13: New Homes in the Countryside – the reference to the re-use of 'recently constructed' agricultural buildings has been clarified.

7. In addition, Policies DP18: Securing Infrastructure and DP29: Affordable Housing have been revised to reflect the legal advice that was received about the Government's new site size thresholds for affordable housing and infrastructure contributions.

Recommendations

8. That Council:

- (i) **approves the Mid Sussex District Plan 2014-2031 (the District Plan) for pre-submission public consultation in May 2015 post election 'purdah';**
- (ii) **agrees to publish the Sustainability Appraisal report of the District Plan for pre-submission public consultation in May 2015 post election 'purdah';**
- (iii) **agrees to publish the Habitats Regulations Assessment of the District Plan for pre-submission public consultation in May 2015 post election 'purdah';**
- (iv) **submits the District Plan to the Secretary of State for Communities and Local Government (i.e. the Planning Inspectorate) after the conclusion of the pre-submission public consultation;**
- (v) **authorises the Head of Economic Promotion and Planning, in consultation with the Cabinet Member for Planning, to make any necessary minor amendments to the District Plan prior to public consultation and/or its submission to the Planning Inspectorate;**
- (vi) **authorises the Head of Economic Promotion and Planning, in consultation with the Cabinet Member for Planning, to suggest any necessary modifications to the District Plan through the examination process to help secure its soundness (pending further public consultation as required);**
- (vii) **resolves that, when considering applications for planning permission located within the High Weald Area of Outstanding Natural Beauty, in appropriate cases and where there is a Development Plan policy basis for doing so, it will apply the 'lower threshold', as defined in the National Planning Practice Guidance (NPPG), i.e. it will not seek affordable housing contributions and/or tariff-style infrastructure contributions from developments of 5 units or less. In accordance with the NPPG, this exemption will not apply to developments which have a maximum combined gross floorspace of more than 1,000sqm.**

Background

9. In December 2013, the Planning Inspector appointed to examine the District Plan reached the conclusion that the Council had not met the legal duty to cooperate and advised that the Plan should be withdrawn. In January 2014, the Council authorised the withdrawal of the District Plan from public examination. After a period of correspondence with the Planning Inspectorate and the Department for Communities and Local Government (DCLG), this authorisation was put into effect on 27th May 2014.
10. Since the receipt of the Inspector's letter, officers have been working on a revised version of the District Plan and commissioned new and updated evidential studies. In addition, in accordance with the Inspector's advice, a Duty to Cooperate Framework was drafted and agreed in order to establish a structured approach towards engagement on strategic planning issues with neighbouring and nearby local authorities and relevant public bodies.

11. A key element of the duty to cooperate work was a programme of meetings with officers and Members of all the neighbouring and nearby local authorities. Good progress has been made and has resulted in Memorandums of Understanding (MoUs) being signed to confirm respective approaches towards addressing cross-boundary issues with Adur & Worthing Councils, Arun District Council, Chichester District Council, and jointly with Lewes District Council and the South Downs National Park Authority. A revised Position Statement has also been signed by Northern West Sussex partners Crawley Borough Council and Horsham District Council. Draft MoUs are being discussed with all of the other authorities. In addition, revised and updated drafts of those MoUs which have already been signed are in preparation.

At its meeting on 12th November 2014, the Council agreed a revised District Plan for public consultation. This included updated policies and text, but did not contain a proposed housing provision figure as work was still continuing on this aspect of the Plan. The consultation took place between 21st November 2014 and 16th January 2015. In total, 290 representations were received to the Plan. These included 149 standardised responses which were generated by a pressure group in East Grinstead. A number of responses were from local residents who expressed support for the Plan. There were also a number of representations from Government agencies and pressure groups who suggested detailed drafting changes to various policies. No 'showstoppers' were received. The responses are available to view on the Council's website at <http://www.midsussex.gov.uk/planning/8264.htm>.

Objectively Assessed Need for Housing

12. At the meeting on 9th July 2014, a report on District Plan progress explained that, following the publication of the Office for National Statistics population projections in May 2014, officers had formulated a best estimate of the district's Objectively Assessed Need for new housing during the plan period. The estimated increase in households in the period 2014-2031 was 8,776, equating to an average of 516 new homes per year.
13. Whilst DCLG's sub-national household projections for the period to 2037 were expected to be released during autumn 2014, they were not in fact published until 27th February 2015. Because of the vacuum in obtaining up-to-date official household projections, officers used a combination of the household sizes in DCLG's 2011 projections for the first part of the plan period and the smaller household sizes from the pre-recessionary 2008 projections for the latter part under the assumption that the impact of the recession on household formation will by then have dissipated. This is consistent with the approach taken recently by Planning Inspectors in examining local plans. Development-industry recognised POPGROUP modelling software has been used to robustly model the number of households anticipated in the District in 2031. Using this methodology, an objective assessment of the district's housing need of 570 homes per year is produced.
14. The National Planning Practice Guidance (NPPG) advises that housing need numbers suggested by household projections should be adjusted upwards should market signals indicate an imbalance between the supply and demand for housing, such as high house prices and rents, and a lack of affordability. Evidence on this matter is detailed in the Draft Housing and Economic Development Needs Assessment (HEDNA). Officers propose to refine this document in the run up to the pre-submission consultation and submission.

15. The NPPG does not state how to calculate the extent to which the housing need figure should be uplifted, recognising that market signals are affected by a number of economic factors and that any planned increase in supply should be by an amount that, on reasonable assumptions, could be expected to improve affordability, consistent with the principles of sustainable development. Recent Planning Inspector's reports for the Eastleigh (Hampshire) and Uttlesford (Essex) local plans have indicated that a 10% uplift on the baseline Objectively Assessed Need would be appropriate. For Mid Sussex, it is considered that this also represents a reasonable response to account for market signals. Accounting for a 10% uplift, this gives a housing need figure of 627 new homes per year.
16. DCLG's recently issued 2012-based household projections, which the NPPG advises is the starting point for calculating Objectively Assessed Housing need, suggest that 656 new homes would be needed each year to accommodate the projected population of Mid Sussex in 2031. DCLG have published a methodology for the housing figures, but this suggests that further work is needed at the local level. It is unclear whether the figures which were published on 27th February are the final projections. Officers have raised these issues with DCLG and will update Members when a response is received. In the meantime, officers recommend that the Objectively Assessed Need figure should be maintained at 570dpa plus the 10% uplift (i.e. 627dpa).

The Plan's Housing Provision Figure

17. The Council is also required to provide a housing provision number in the Plan for the period up to 2031. The 2015 review of the Housing Supply Document /Strategic Housing Land Availability Assessment (SHLAA) has now been completed following consideration of its methodology at a Developers' Workshop on 13th January and an independent audit of around 100 sites which were considered to be unsuitable on landscape impact grounds.
18. Consideration of the SHLAA has also been informed by two reports prepared by Land Use Consultants: the 'Capacity of Mid Sussex District to Accommodate Development' (June 2014) and a 'Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan' (February 2015). The latter study considers the extent to which Mid Sussex could sustainably accommodate the unmet housing needs of neighbouring authorities. The result of this work is an overall potential supply of 11,900 dwellings until 2031. Approximately 5,500 homes are already committed, 3,500 are proposed to be allocated at Burgess Hill and there have been 245 part-year completions in 2014/15. The remaining 2,900 dwellings of the potential supply comprise SHLAA sites which could be allocated through neighbourhood plans or, if necessary, a Site Allocations Development Plan Document.
19. Taking the need and supply position into account, officers recommend that the Plan's housing provision figure be set at 650 dwellings per year (11,050 homes over the plan period). Officers consider that this figure is realistic and robust. It strikes the right balance between meeting the needs of the area and supporting the local economy whilst protecting the special characteristics of Mid Sussex. This annual figure represents the extent of what could be supplied in the first five years of the plan period (a requirement of the National Planning Policy Framework) and would leave around 1,800 homes to be allocated through neighbourhood plans. It would therefore offer a degree of flexibility in the choice of sites and would allow for some sites not coming forward as anticipated. It would also take into account sites around settlements such as Ansty, Bolney and Horsted Keynes, where the amount of suitable, available and achievable SHLAA sites exceeds the capacity of the settlement to reasonably accommodate it.

20. Having regard to the public examinations of the Brighton & Hove, Chichester, Horsham and Lewes local plans, where Inspectors have asked the local authorities to undertake further work with the aim of increasing housing supply, officers consider that a housing provision figure of 650 homes per year is realistic and robust. The difference between the housing provision and need figures (23 homes per year over the plan period) could notionally contribute towards meeting the unmet housing needs of neighbouring authorities, principally Crawley and Brighton & Hove, which have the strongest economic and functional links with Mid Sussex.

Neighbourhood Plans and Settlement Hierarchy

21. As noted, a District Plan housing provision figure of 650dpa would require about 1,800 homes to be allocated through neighbourhood plans. Some of the neighbourhood plans are well advanced with one made plan, three at referendum stage and three at examination. It is anticipated that all neighbourhood plans will at least be at examination stage by autumn 2015 when the District Plan itself is at examination.
22. One of the themes that emerged from the Developers' Workshop was the need for the District Plan to provide more certainty about the distribution of the residual 1,800 homes and more guidance on housing provision for neighbourhood plans. To address this, the Plan has been strengthened to remind town and parish councils that their plans need to have regard to the breakdown of Objectively Assessed Housing Need by parish, as indicated in the HEDNA; whether there are suitable, available and achievable housing sites; and any localised infrastructure constraints and opportunities.
23. Also recommended is the inclusion of an additional policy in the Plan (DP6) to set out a settlement hierarchy. The purpose of this is to indicate the historic pattern of development in Mid Sussex to which the District Council would expect neighbourhood plans to have regard. A Settlement Sustainability Review has been prepared to support this hierarchy.

Affordable Housing and Infrastructure Contributions Thresholds

24. The Government introduced new minimum thresholds for seeking affordable housing and tariff-style infrastructure contributions by means of a Ministerial Statement and a revision to the National Planning Practice Guidance (NPPG) in November 2014. The guidance states that contributions should not be sought from residential developments of 10 dwellings or fewer and which have a maximum combined gross floorspace of no more than 1,000 square metres. In designated rural areas (for Mid Sussex, this means the High Weald Area of Outstanding Natural Beauty), the guidance allows local planning authorities to apply a lower threshold of between 6 and 10 dwellings, but they may not seek tariff-style contributions from developments of 5 dwellings or fewer.
25. District Plan Policies DP18: Securing Infrastructure and DP29: Affordable Housing have therefore been revised to accord with the national thresholds of 11 dwellings generally and a minimum of 6 dwellings in the Area of Outstanding Natural Beauty (AONB).
26. With regard to determining planning applications in the interim, for *affordable housing*, in most areas the Mid Sussex Local Plan threshold of 15 dwellings and above will continue to apply until the District Plan is taken successfully through public examination. In the AONB, a resolution is sought to allow the Council, in appropriate cases, to apply the 'lower threshold' (as defined in the NPPG).

27. In the case of *infrastructure contributions*, the current threshold in the Development and Infrastructure Supplementary Planning Document is 6 dwellings and above. This has risen to 11 dwellings and above for tariff-style contributions in Policy DP18 of the draft District Plan to ensure consistency with the new Government guidance. As with affordable housing, in the AONB, a resolution is sought to allow the Council, in appropriate cases, to collect tariff-style infrastructure contributions from developments of 6-10 dwellings.
28. The Council is therefore asked to agree recommendation (vii) set out in paragraph 8 above.

Other Suggested Changes to the District Plan

29. The main changes to the draft District Plan since it was consulted on are summarised as follows:
 - Amendments to the policies and text to take account of suggestions from respondents to the recent consultation where these are considered to be appropriate.
 - Expanded text in the early chapters to explain joint working with other local authorities under the duty to cooperate.
 - Explanatory policies and text relating to housing numbers and a sustainability hierarchy (as discussed above).
 - Amendments to reflect changes to Government policy, in particular new minimum thresholds for affordable housing and tariff-style infrastructure contributions which were introduced through a revision to the NPPG in November 2014 (see above).
 - Factual updates of information contained in the Plan and its background evidence.
 - The list of saved policies has been updated to take account of advanced neighbourhood plans where they have replaced Mid Sussex Local Plan policies.
30. The version of the District Plan attached as **Appendix 1** uses track changes to highlight all of the amendments which are proposed to be made to the November 2014 Consultation Draft. Given that the pre-submission consultation will not be carried out until mid-May, officers request approval to make any necessary minor amendments to the District Plan prior to the consultation and/or its submission to the Planning Inspectorate in July. This will give a discretion to the Head of Economic Promotion and Planning to agree changes to text or a policy, in consultation with the Cabinet Member for Planning, which do not change the principles of that policy.

Sustainability Appraisal Report/Habitats Regulations Assessment

31. In accordance with legal requirements, a revised Sustainability Appraisal report and a Habitats Regulations Assessment have been prepared to consider the potential impacts of the new District Plan. These will be published for public consultation alongside the Plan. Summaries of both documents are attached at **Appendices 2** and **3** respectively.

Community Involvement Plan

32. The Council's Statement of Community Involvement includes a requirement for a Community Involvement Plan to be produced for each development plan consultation. Accordingly, a draft Community Involvement Plan is attached at **Appendix 4**.

Policy Context

33. The District Plan is being developed to reflect the area's Sustainable Communities Strategy. The 'Mid Sussex Sustainable Communities Strategy' has a vision of:

"A thriving and attractive District, a desirable place to live, work and visit. Our aim is to maintain, and where possible, improve the social, economic and environmental wellbeing of our District and the quality of life for all, now and in the future."

34. This vision is underpinned by four priority themes that promote the development of sustainable communities:

*"Protecting and enhancing the environment
Promoting economic vitality
Ensuring cohesive and safe communities
Supporting healthy lifestyles"*

35. The District Plan is based on the above vision and themes, and is intended to be the implementation tool for achieving the planning aspects of this vision.

Other Options Considered

36. The Council has the option to delay or not to produce a District Plan. However, this would perpetuate the situation whereby it cannot demonstrate a five-year supply of housing land and must deal with planning applications for housing on a case by case basis with no up to date housing policies in place.

Financial Implications

37. The costs of undertaking the pre-submission public consultation can be met from the existing budget.

Risk Management Implications

38. Strategic Risk 2 for this year is "Failure to approve a District Plan which meets community needs and aspirations and protects Mid Sussex from inappropriate development" and which, "meets the tests of soundness at examination."

Equality and Customer Service Implications

39. An Equality Impact Assessment has been prepared alongside the District Plan. The adoption of the draft national housing standards Category 2 access levels within Policy DP26: Accessibility is intended to help meet the access needs not only of older and disabled people, but of the whole community, including parents with buggies and prams.

Other Material Implications

40. There are no other material implications.

Background Papers

<http://www.midsussex.gov.uk/planning/8264.htm>

Mid Sussex District Plan Sustainability Appraisal – Pre-Submission Report
Habitats Regulations Assessment for the Mid Sussex District Plan
Draft Housing and Economic Development Needs Assessment
Draft Settlement Sustainability Review
Equality Impact Assessment
Summary of Consultation Responses

Appendices

1. Mid Sussex District Plan 2014-2031 – Pre-Submission Draft
2. Sustainability Appraisal report – Non-Technical Summary
3. Habitats Regulations Assessment - Executive Summary
4. Draft Community Involvement Plan