

7. DISTRICT PLAN – FOCUSED AMENDMENTS PUBLIC CONSULTATION

REPORT OF: HEAD OF ECONOMIC PROMOTION & PLANNING
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Wards Affected: All
Key Decision: Yes
Report to: Council
Date of meeting: 11 November 2015

Purpose of Report

1. The purpose of this report is to inform Members of the outcome of the District Plan pre-submission public consultation which took place from 12 June to 24 July 2015. It asks Members to consider the representations made, in particular those relating to the housing numbers.
2. Members are asked to consider a schedule of proposed modifications to the District Plan in the context of an updated Sustainability Appraisal and Habitats Regulations Assessment and other supporting evidence. The Duty to Cooperate Framework is also appended to the report, updated with the recent work undertaken in this regard.
3. The Scrutiny Committee for Planning and Economic Development considered this report on 10 November and any recommended changes to the recommendations or proposed modifications will be tabled for Council to consider.
4. Subject to this consideration Council is asked to approve the modifications to the Mid Sussex District Plan 2014-2031 and hold a 'focused amendments' public consultation from 19 November - 31 December 2015 on these specific modifications. Authorisation is also sought to submit the District Plan and relevant documents to the Secretary of State following the consultation.

Summary

5. This report:
 - a) Provides a brief summary of the 299 representations which were received during the recent District Plan pre-submission public consultation.
 - b) Recommends that the objectively assessed housing need for Mid Sussex is increased to 695 dwellings per annum (dpa) and 105dpa provided towards the unmet needs of adjoining authorities, resulting in a total provision figure of 800dpa (or 13,600 over the plan period).
 - c) Explains how this increased figure will be met by:
 - i. Optimising the capacity of the Strategic Housing Land Availability Assessment (SHLAA) through updating the schedule of delivered and committed sites, re-visiting the density of potential sites and reviewing delivery rates;
 - ii. Allocating an additional strategic housing site within the District Plan;
 - iii. Programming a Site Allocations Development Plan Document for anticipated adoption in 2021.

- d) Provides a summary of how the main evidence documents have been updated and outlines the additional work required prior to submission for examination.
- e) Provides a summary of the other proposed modifications to the Pre-Submission Draft District Plan.
- f) Outlines the updates to the Duty to Cooperate Framework reflecting the passage of time and the outcome of the numerous meetings which have taken place with neighbouring and nearby local authorities.

Recommendations

6. That Council:

- (i) approves the modifications to the Mid Sussex District Plan 2014-2031 at Appendix 3 for a 'focused amendments' consultation in accordance with the Community Involvement Plan at Appendix 4;**
- (ii) agrees to publish the updated Sustainability Appraisal and Habitats Regulations Assessment of the District Plan to accompany the above consultation;**
- (iii) endorses the updated Duty to Cooperate Framework at Appendix 5;**
- (iv) 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 and supporting documents following the consultation and to submit them to the Secretary of State for Communities and Local Government (i.e. the Planning Inspectorate);**
- (v) 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 during the examination process to secure its soundness, subject to any necessary public consultation.**

Background

- 7. In March 2015 Council agreed the Mid Sussex District Plan 2014-2031 for pre-submission public consultation following the purdah period for the General and Local Elections in May 2015. This consultation was carried out in June and July 2015 and the representations received are summarised below. Modifications to the District Plan are proposed to address some of the representations received and avoid unnecessary debate at the examination.
- 8. Since March there have been a number of local plan examinations nationally and locally where Inspectors' findings have been published. Of particular relevance to Mid Sussex are the examinations of Horsham's and Crawley's plans since these local authority areas fall within the same Northern West Sussex Housing Market Area. The lessons learnt from these examinations are explored below.
- 9. Lastly, since the General Election, there has been a clear drive from Central Government to increase housing supply, led by the Prime Minister's commitment to deliver one million homes by 2020.

Representations on Pre-Submission Consultation

10. A total of 299 representations were received in response to the public consultation during the summer. Of these, 115 were standardised letters organised by a pressure group in East Grinstead and 48 similarly-worded responses from Lindfield residents under the misapprehension that the District Plan had allocated certain sites in Lindfield identified in SHLAA.
11. No objections were received from any of the statutory consultees or neighbouring / nearby local authorities.
12. 55 representations were received from developers/landowners. These included the promotion of additional housing sites from small (~20 units) to large (5000+ units). The key messages arising from these developer responses are as follows:
 - All object to Policy DP5: Housing
 - The Plan's housing number is too low
 - An uplift for Market Signals should have been applied to the housing need number
 - No allowance has been made for neighbouring authority housing shortfalls (and therefore the Duty to Cooperate has not been met)
 - The jobs target in the Northern West Sussex Economic Growth Assessment is not met
 - The affordable housing register underestimates affordable housing need
 - The SHLAA capacity is incorrect (i.e. there is more capacity in the pool of sites than the SHLAA suggests, due to unfavourable assessment of particular sites)
 - There should be a strategy/spatial distribution for neighbourhood plans (Policy DP6: Settlement Hierarchy and its evidence base is therefore questioned)
 - No account has been made for the completions backlog against the housing requirement for Mid Sussex in the South East Plan
 - Housing options have not been assessed correctly in the Sustainability Appraisal (particularly a further option of around 650-700dpa)
 - Of the 23 respondents who suggested alternative housing provision figures, 6 suggested 800dpa or less, 11 were between 808-880 and 6 were over 910.

Proposed Modifications to Housing Numbers

Housing Numbers – Objectively Assessed Need

13. In the March version of the District Plan, the objectively assessed need (OAN) for housing in Mid Sussex was considered to be 656dpa.
14. The 656dpa figure is the DCLG household projection figure for Mid Sussex. National Planning Practice Guidance on how to calculate OAN for housing states that these projections are the 'starting point' and that local authorities must then consider whether adjustments should be made for factors such as affordable housing need and market signals. These issues were considered at the time and the view taken that no adjustment was needed.

15. Since then we have had the preliminary findings from the examination of the Crawley Local Plan and the final findings from the examination of the Horsham District Planning Framework. These are particularly relevant to Mid Sussex because together the three authorities form the Northern West Sussex Housing Market Area and there are acknowledged strong links between them. Horsham is very similar to Mid Sussex in terms of demography and how the housing market works and both areas have strong housing and economic links with Crawley.
16. The Crawley Inspector in his preliminary findings has indicated that the OAN for Crawley is 675dpa, based on the household projection with no adjustments necessary. The Horsham Inspector noted that the DCLG projection for Horsham is 597dpa but considered that this needed an upward adjustment for vacancy rates and market signals resulting in an OAN of 650dpa.
17. If the same methodology is used for Mid Sussex as it was for Horsham, which would be reasonable given the similarities in demography and housing market, this would result in an adjustment of 2.3% to 656dpa to account for vacancy rates, which takes the baseline figure to 671dpa, and an increase of 24dpa to account for market signals, which brings the final OAN to 695dpa. More detail on how these figures were reached is contained in the updated Housing and Economic Development Needs Assessment (see Appendix 1 for the relevant extract).
18. It is therefore recommended that the OAN for Mid Sussex in the District Plan be amended to **695dpa**.

Housing Numbers – Proposed Provision

19. In March 2015 the proposed provision number for the District Plan was 650dpa (or 11,050 dwellings over the period 2014-2031). This did not include any provision for accommodating the unmet needs of neighbouring authorities.
20. Paragraph 14 of the National Planning Policy Framework (NPPF) states that:

“Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:

 - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
 - specific policies in this Framework indicate development should be restricted.”
21. Paragraph 182 of the NPPF sets out the criteria for the ‘soundness’ of a Local Plan, including that it must be

“**Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development”.
22. The extent of the unmet needs of neighbouring authorities was assessed in the ‘Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan’ published in February 2015. This study established that the two areas with unmet needs with the strongest migration and commuting links with Mid Sussex are Crawley (links with the whole of Mid Sussex) and Brighton & Hove (the southern part of Mid Sussex only).

23. This study assessed the sustainability impacts on Mid Sussex of accommodating some or all of the unmet needs of neighbours; and the impacts on the neighbouring authorities if it didn't. It established that options that resulted in more than 800dpa being delivered in Mid Sussex overall would give rise to significant impacts.
24. The study also assessed eleven broad locations for accommodating any unmet needs from neighbours, and found that locations around the three Mid Sussex towns and to the south of Crawley were the most sustainable.

Relevant Inspector Findings

25. The Crawley Inspector has confirmed that a modification will be required to policy H1 of the Crawley Plan stating:

“There will be a remaining unmet housing need, of approximately 5,115 dwellings, arising from Crawley over the Plan period. The council will continue to work closely with its neighbouring authorities, particularly those which form the Northern West Sussex Housing Market Area, in exploring opportunities and resolving infrastructure and environmental constraints in order to meet this need in sustainable locations. This will include continued assessment of potential urban extensions to Crawley”.

26. The Horsham Inspector has agreed a housing provision figure of 800dpa for Horsham District, including 150dpa towards Crawley's unmet need. He commented:

“Following the hearings at the Crawley examination, it has been agreed that Crawley can meet only about 334 dpa of the OAN figure of 675 dpa, leaving a shortfall of 340 dpa. As already indicated, Horsham should meet some of this need if possible; on a very rough basis it seems reasonable for Horsham to try to accommodate roughly half this number”.

27. In June 2015 Brighton and Hove City Council updated its OAN figure to 30,120 homes over the 2010-30 period, of which it is planning to provide 13,200 resulting in an unmet need of 16,920. It should be noted that the Horsham Inspector commented that:

“I remain unconvinced of any considerable degree of overlap between the NW Sussex HMA and that of the coastal authorities to the south. The needs of Brighton and other nearby coast towns arise from the strong migratory pull of those wishing to live in a town by the sea; these pressures are not the same as those generated by smaller inland towns or rural communities”.

Capacity of Mid Sussex to accommodate development

28. In light of the significant level of unmet need in neighbouring authorities, and the requirements of the NPPF paragraphs 14 and 182, a robust review has been carried out on the capacity of Mid Sussex to accommodate development. This evidence is contained in the 'Capacity of Mid Sussex District to accommodate development' and the 'Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan', both produced by Land Use Consultants.
29. The Sustainability Appraisal of the District Plan uses the results of the above studies, and other relevant evidence, to test the impact of various levels of development. It concludes that 800dpa is the tipping point beyond which the environmental impacts on the District significantly and demonstrably outweigh any social and economic benefits of new development.

30. As a result it is recommended that the proposed provision figure be increased to **800dpa**, which would provide 105dpa towards the unmet needs of neighbouring authorities, primarily Crawley.

Delivery of Housing Numbers

Optimising the SHLAA

31. The sources of housing supply in Mid Sussex are identified in the Strategic Housing Land Availability Assessment (SHLAA). The assumptions in this assessment have been reviewed in the following ways:
- the schedule of delivered and committed sites has been updated to reflect completions and permissions as at 1st November 2015;
 - the timing and delivery rates of sites have been reviewed taking into account representations received from site promoters and progress made on neighbourhood plans;
 - the densities assumed for potential sites have been reviewed taking into account the need to make best use of land within the constraints of good design. This review is supported by a recommended modification to the District Plan to include a density policy to give the Council more control over densities of new development.

Review of Strategic Sites

32. The strategic sites (500 homes or more) identified in the Sustainability Appraisal have also been reviewed to establish whether any of them could reasonably and sustainably assist in meeting the unmet needs of neighbouring authorities, particularly in the light of representations received from the site promoters at publication and pre-application stage. This work is set out in the Site Selection Paper at Appendix 2 and has resulted in the proposed allocation of a further strategic site for 600 dwellings at Hardriding Farm, Pease Pottage.
33. The outcome of the above work is that the Council is able to:
- demonstrate a robust five year supply of housing against 800dpa (including a 20% buffer as required by the NPPF)
 - demonstrate a reasonable level of certainty about the source of the 800dpa for years 2021-2025 of the plan period.

Site Allocations Document

34. Beyond 2025 the source of housing sites is less certain. Therefore it is recommended that a Site Allocations Development Plan Document be programmed for adoption by 2021, or sooner if monitoring of the housing supply and delivery demonstrates that it is required. This will ensure that the Council maintains a rolling five year supply and is not therefore at risk from 'planning by appeal'.

Impact on Neighbourhood Planning

35. In carrying out the above review, care has been taken to avoid conflicts with made or advanced neighbourhood plans. There will be no necessity for the current generation of neighbourhood plans to increase their housing numbers. However, if Town and Parish Councils wish to review their made plans to increase numbers this will reduce the amount of sites that need to be found in the Site Allocations Document.

Updates Required To Evidence Base

36. The Sustainability Appraisal and Habitats Regulations Assessment have been updated and the Executive Summaries are appended to this report. The full reports are background papers and will need to be published alongside the focused amendments consultation on the District Plan.
37. An update has been prepared to the Housing and Economic Development Needs Assessment, which was originally published in February 2015. The HEDNA Update includes the detailed calculations with regards to the latest household projections, vacancy rate and market signals uplift upon which this report is based. The key parts of this document are appended to this report.
38. The other evidence work that will need to be updated prior to submission are the Mid Sussex Transport Study and the Infrastructure Delivery Plan. Preliminary findings on the impact of 800dpa on the transport network indicates that this number can be accommodated but further work is being undertaken to identify any further transport interventions that will be needed. These will then be fed into the updated Infrastructure Delivery Plan together with any other additional infrastructure requirements identified through the consultation.

Other Proposed Modifications

Density

39. As referred to above, it is recommended that a new policy be added on the appropriate density of new development to make best use of land and optimise the sites within the housing supply. This will reduce the need to allocate further greenfield sites.
40. The NPPF requires planning policies and decisions to ensure that development optimises the potential of the site to accommodate development. The old PPG3 previously specified 30 dwellings (dph) per hectare as a minimum standard. Whilst this national standard no longer exists, 30 dph can be considered as a benchmark density for an average site.
41. Work has been undertaken to examine the density of developments that have been permitted. Of the sites surveyed:
 - infill/brownfield sites have been developed at a higher density, over 200 dph for town centre sites and 100 dph for other sites in the built up area
 - The work has also shown that sites that have been allocated, and therefore subject to a policy requirement to develop to a set density, have delivered an average of 29 dph
 - Sites that have come forward as greenfield windfalls have been delivering an average density of 22 dph.

42. In order to ensure that the development potential of sites is optimised a density policy is proposed in the Plan. This proposes a range of minimum densities depending on site location, from 30 dwellings per hectare on small greenfield sites to 70 dwellings per hectare in town centres.

Burgess Hill Northern Arc Strategic Development

43. Pre-application negotiations have commenced on the Northern Arc and the Council has agreed to allocate additional resources to ensure that this important development for Mid Sussex comes forward in an appropriate way and delivers the necessary infrastructure. To assist with this some modifications are proposed to policies DP7 and DP9 to strengthen the Council's position and make it clearer to the developers what is required from the strategic development.

Pease Pottage

44. The allocation of an additional strategic site is proposed to the east of Pease Pottage for 600 dwellings; a primary school and hospice (see section above on Delivery of Housing Numbers and Appendix 2 on Site Selection). This has required an additional policy setting out the criteria for the development on this site.

Other Modifications

45. The other main suggested alterations include:
- A commitment to produce a Site Allocations document for adoption in 2021 or earlier if required (see section above on Delivery of Housing Numbers);
 - A reversion to our previous affordable housing thresholds (as proposed in the Consultation Draft version) because the Government's practice guidance on the issue was quashed in the High Court in July 2015;
 - Updates to reflect revisions to Government policy on self-build homes, energy efficiency, housing and accessibility standards, and gypsies & travellers; and
 - Some relatively minor changes in wording in response to representations received during the Pre-Submission consultation.

Updates to the Duty to Cooperate Framework

46. In accordance with the previous Planning Inspector's advice, a Duty to Cooperate Framework was drafted and agreed in order to support and evidence a structured approach to engagement on strategic planning issues with neighbouring and nearby local authorities and relevant public bodies.
47. As a result of the organic nature of the Duty to Cooperate and the outcomes of the numerous local authority meetings, changes to the cross-boundary strategic planning issues originally identified have been made. The Duty of Cooperate Framework has therefore been refreshed to reflect these and an updated version of the document is attached at **Appendix 5**. Track changes have been used to highlight all of the proposed amendments. Members are recommended to endorse this revised version of the document which will be submitted to the Planning Inspectorate.

48. To meet the ongoing nature of the duty to cooperate work a programme of meetings with officers and Members of all the neighbouring and nearby local authorities have been held with the aim of securing signed Memorandums of Understanding (MoUs) to confirm respective approaches towards addressing cross-boundary issues. MoUs have been signed with all of the relevant authorities. In the case of housing market area partners Crawley and Horsham, the previous joint Position Statement has twice been updated, but will require a further revision to reflect Horsham and Mid Sussex District Councils' latest housing numbers.
49. The relevant public bodies to which the duty to cooperate applies have been invited to sign Statements of Common Ground. At the time of writing, statements have been signed with Natural England, Environment Agency, South East Water and Thames Water. It is expected that the outstanding statement with Highways England will be signed before submission on completion of the additional transport work.

Policy Context

50. 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."

51. 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"*

52. 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

53. There is the option of not modifying the District Plan in the ways suggested in this report. That is not recommended as to do so would risk extending the District Plan public examination hearing sessions and/or the Planning Inspector's report writing time. This would result in a longer period during which the Council cannot demonstrate a five year housing land supply, and further risk of 'planning by appeal'.

Financial Implications

54. There are no financial implications of this report.

Risk Management Implications

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

Equality and Customer Service Implications

56. The Equalities Impact Assessment for the District Plan has been reviewed in the light of the changes proposed and no changes to it are considered necessary.

Other Material Implications

57. There are no other material implications.

Background Papers

District Plan 2014-2031 – Pre-submission version
Updated Sustainability Appraisal
Updated Habitats Regulations Assessment

The above documents and other relevant evidence documents can be viewed at
<http://www.midsussex.gov.uk/planning/8264.htm>

Appendices

1. Extract from updated HEDNA
2. Strategic housing sites selection paper
3. Schedule of proposed modifications to the Pre-Submission Draft Mid Sussex District Plan 2014 – 2031
4. Community Involvement Plan
5. Updated Duty to Cooperate Framework
6. Executive Summary of updated Sustainability Appraisal
7. Executive Summary of Habitats Regulations Assessment