

Northern West Sussex Housing Market Area

Statement of Common Ground: Housing

July 2024

1. Introduction and Context

1.1. This Statement of Common Ground has been prepared by the Northern West Sussex Housing Market Area authorities, comprising:

- Crawley Borough Council
- Horsham District Council
- Mid Sussex District Council

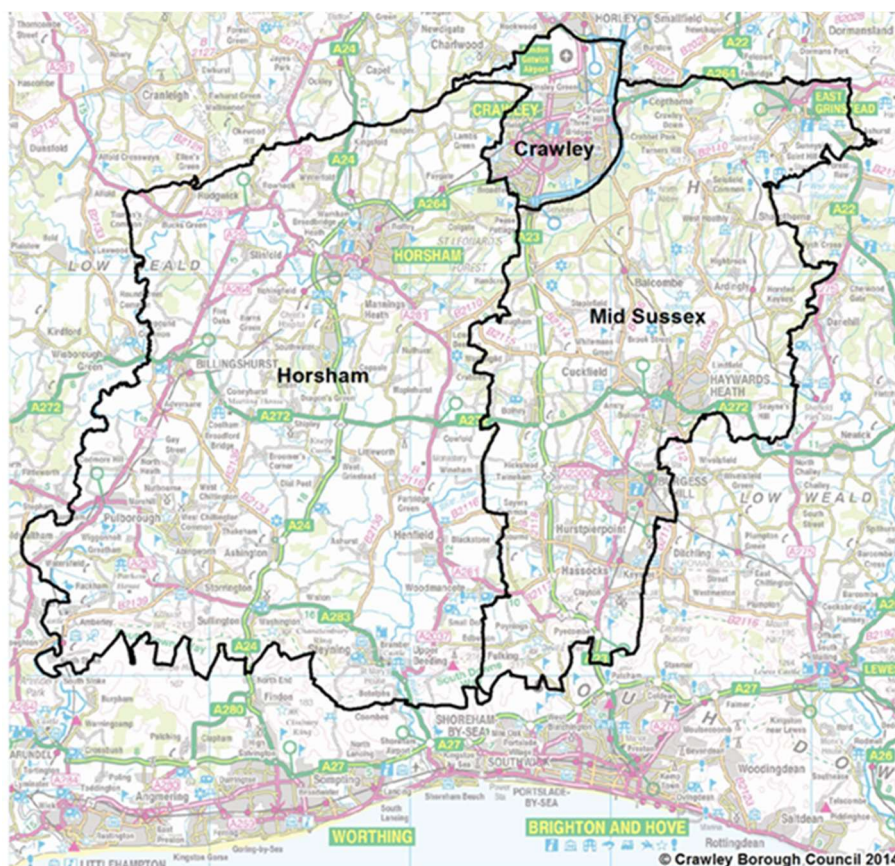


Figure 1: Map of Northern West Sussex Authorities

1.2. The Northern West Sussex (NWS) Authorities have a long history of joint working and co-operation on strategic cross-boundary matters. The full extent of this is captured within the Northern West Sussex Statement of Common Ground (NWS SoCG)¹. This was last agreed in 2023 by the above authorities and is kept up to date to support the authorities' respective emerging Local Plans. The NWS SoCG also includes West Sussex County Council (all three lower tier authorities are situated within West Sussex County) for cross-boundary matters which fall under their responsibility, particularly transport.

¹ https://www.horsham.gov.uk/data/assets/pdf_file/0011/86546/Northern-West-Sussex-Statement-of-Common-Ground-May-2020.pdf

- 1.3. Given the particular circumstances regarding housing need and supply impacting this Housing Market Area (HMA), this Statement of Common Ground details the co-operation between the NWS authorities that has actively taken place in seeking to resolve housing matters.
- 1.4. This Housing Statement of Common Ground should be read in conjunction with the NWS SoCG. It documents the findings of the authorities' respective evidence base (including findings of jointly commissioned evidence studies) and agreed positions of the respective authorities on the following matters:
- Strategic Geography: Definition of the Housing Market Area
 - Housing Need: Prioritisation
 - Housing Need: Current Position
 - Housing Supply: Current Position
 - Assessment of Housing Supply Options: Site Selection
 - Ongoing Co-Operation and Governance

Historical Position - Context

- 1.5. As of the date of this Statement, the current suite of formally adopted Northern West Sussex HMA Local Plans were adopted as follows:
- **Crawley:** Crawley 2030 (2015 – 2030), adopted December 2015
 - **Horsham:** Horsham District Planning Framework (2011 – 2031), adopted November 2015
 - **Mid Sussex:** District Plan (2014 – 2031), adopted March 2018
- 1.6. Crawley's unmet need position was established during its Local Plan examination. Horsham identified the potential to contribute 150dpa (3,000 dwellings during the plan period) towards this unmet need and this was agreed during the examination of the Horsham District Planning Framework. During the Mid Sussex examination, the Inspector concluded that Mid Sussex could contribute 1,498 dwellings towards unmet need arising in Crawley. Whilst this would leave a remaining 35dpa, the Inspector concluded that this was likely to be met as Crawley's housing delivery was running slightly ahead of trajectory at that point in time.
- 1.7. Therefore, the NWS HMA authorities have historically been able to demonstrate that the need arising in the HMA could be met in full – based on the agreed Objectively Assessed Needs establishing within each authority's respective examination. This reflects their positive and on-going engagement to seek cross-boundary strategic solutions.

Table 1 - Housing need and supply position at time of Mid Sussex District Plan adoption (March 2018)

	Objectively Assessed Need (OAN)	Total Plan Period OAN	Total Plan Period Housing Supply	Contribution towards NWSHMA (to 2031)
Crawley	675	10,125	5,100	-5,025 (335dpa)
Horsham	650	13,000	16,000	3,000 (150dpa)
Mid Sussex	876	14,892	16,390	1,498 (88dpa)
TOTAL	2,201	38,017	37,490	-527 (35dpa)

Updates to the Housing Statement of Common Ground

- 1.8. An initial version of the NWS Housing Statement of Common Ground was agreed by the three authorities in July 2023. The initial SoCG included an agreement to prepare updates when required. As a result of plan progress made by the authorities since, more certainty regarding housing supply positions, and more clarity regarding proposed changes to National Policy, this represents the first update to the initial Housing SoCG to reflect these matters.

Changes to National Policy

- 1.9. In October 2023, the Levelling Up and Regeneration Act 2023 ('LURA') received royal assent. This set the framework for a new approach to plan-making whereby local plans will no longer contain area-wide development management policies, and will focus on spatially specific policies, such as site allocations and area-based regeneration. Many more detailed aspects of the new Act will be enabled or enacted by forthcoming updates to the NPPF, and in some cases by forthcoming secondary legislation. The details of these, at the time of preparing this statement, are unknown. However, they are not likely to impact the plans currently in progress.
- 1.10. A change already introduced into the NPPF in December 2023 (paragraph 61) was to clarify that the standard method for calculating housing need is an advisory starting-point for establishing the housing requirement, albeit an exceptional circumstances test for deviating from the standard method will continue to apply.
- 1.11. However, transitional arrangements set out in NPPF (December 2023, Annex 1, paragraph 230) are clear that local plans reaching pre-submission consultation on or before 19 March 2024 will be examined under the previous NPPF as published on 5 September 2023. This is relevant for both Horsham and Mid Sussex. As Crawley submitted their Plan before the December 2023 and September 2023 versions of the NPPF were published, the Crawley Local Plan is being examined against the 2021 NPPF.
- 1.12. Furthermore, the Secretary of State for Levelling Up, Communities and Housing has confirmed that local plans submitted before 30 June 2025 will follow the same legal procedure as existed before enactment of LURA. This means that ongoing reforms to the planning system won't have any significant effect on the progress or content of local plan reviews in NWS as all are at an advanced stage of preparation.
- 1.13. The new legislation sets a path to abolish the Duty to Cooperate as applies to local plans and strategic land use planning. However, the Duty to Cooperate will continue to apply under transitional arrangements and is therefore still relevant to the three Plans currently being progressed by the NWS authorities.

2. Strategic Geography: Definition of the Housing Market Area

2.1 The definition of the Northern West Sussex Housing Market Area (NWS HMA) is long-standing and has been subject to ongoing review through the authorities' respective evidence bases, including joint studies, and has been confirmed at respective Local Plan examinations.

Housing Market Area Boundary

2.2 The three authorities agree the below Housing Market Area boundaries for the purposes of plan-making, as supported by the evidence base.

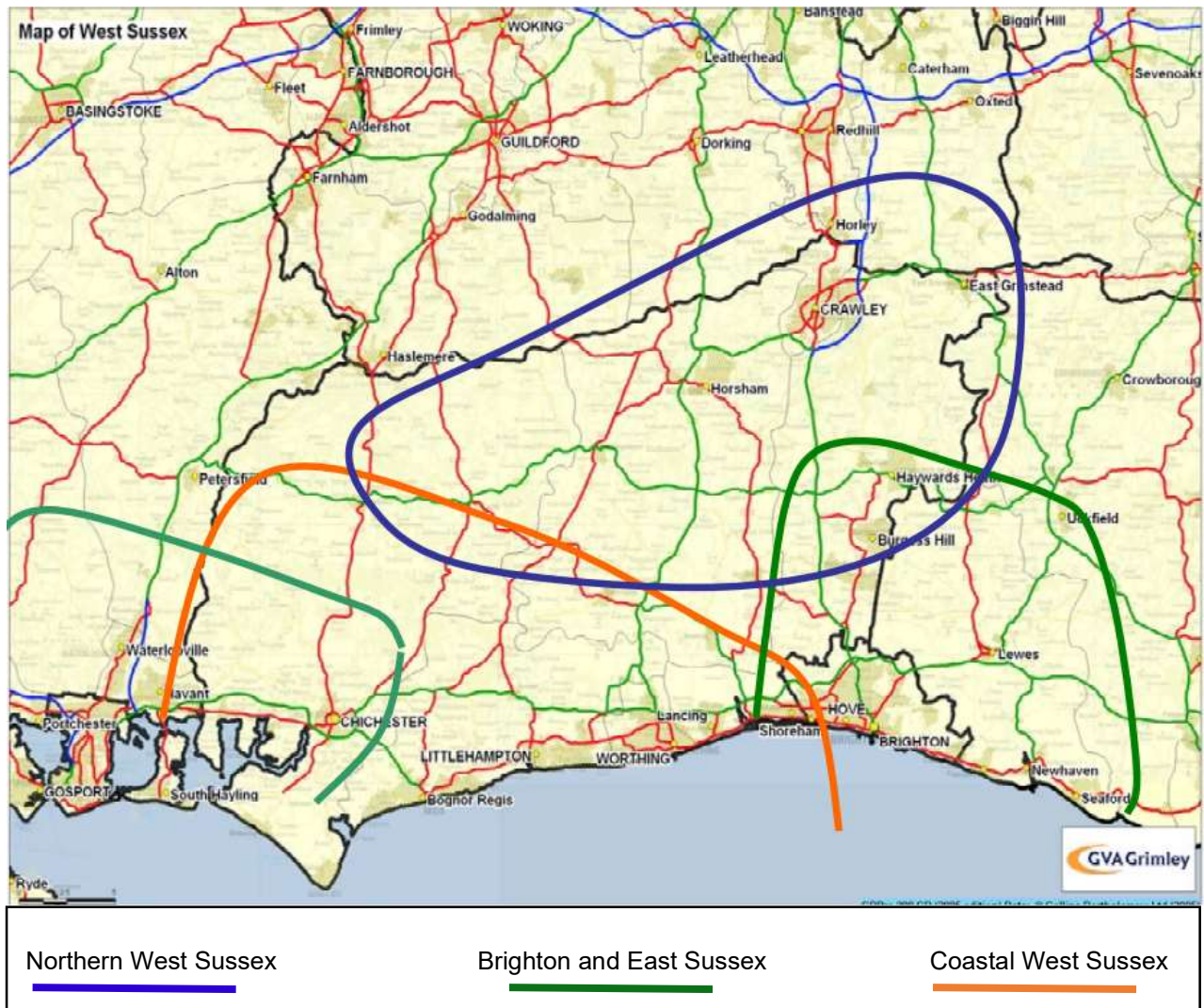


Figure 1: Sussex Housing Market Areas

Evidence Base

2.3 The definition of the NWS HMA has been established in the following evidence base studies:

- **West Sussex Strategic Housing Market Assessment (GVA 2009)**
This initial Strategic Housing Market Assessment (SHMA) established the Northern West Sussex HMA (NWS HMA) centred on Crawley and Horsham, extending south to Haywards Heath and Burgess Hill, east to East Grinstead, north to Horley and west/southwest to Billingshurst and Pulborough). It identified

a 'best-fit' to local authority boundaries as comprising Crawley, Horsham and Mid Sussex. It recognised that there are some overlaps with the Brighton and East Sussex and Coastal HMAs in the southern parts of Horsham and Mid Sussex. However, the NWS SHMA is the predominant one.

- **Northern West Sussex – Affordable Housing Needs Model Update (Chilmark, 2014)**
This reviewed the conclusions of the GVA 2009 study. It concluded that the NWS HMA continued to represent the primary HMA for Crawley, Horsham and Mid Sussex and that this should form the basis for Local Plans.
- **Housing Market Geographies – Greater Brighton and Coastal West Sussex Strategic Planning Board (GL Hearn, 2016)**
This report was commissioned by the Greater Brighton and Coastal West Sussex authorities (comprising Adur, Arun, Brighton & Hove, Chichester, Crawley, Horsham, Mid Sussex, Worthing and the South Downs National Park Authority) in 2016 to support ongoing work on its Local Strategic Statement. The report confirmed strong links between Horsham, Crawley and Mid Sussex – thereby endorsing the findings of previous studies. It too recognised overlaps in the Horsham and Mid Sussex areas with the Brighton and Coastal HMA.
- **Northern West Sussex SHMA – Crawley and Horsham Update (Iceni, 2019)**
To support Local Plan Reviews, Crawley and Horsham (with input from and engagement with Mid Sussex) commissioned an updated SHMA to review HMA boundaries. It re-confirmed the established position set out in previous studies.
- **Northern West Sussex SHMA – Mid Sussex Update (Iceni, 2021)**
The Mid Sussex SHMA update was completed by the same consultants as the Crawley and Horsham Update and uses the same methodology. Therefore, there is a consistent approach to assessing housing need within the HMA. The Mid Sussex Update endorses the findings of the Crawley and Horsham Update and the conclusion that a Northern West Sussex HMA remains appropriate.

2.4 The three respective Inspectors examining the authorities' adopted Local Plans have supported the principle of the Northern West Sussex HMA being the primary HMA for each of the three authorities. Despite evidence of overlaps, the Inspectors (in particular, those for Horsham and Mid Sussex) concluded that meeting housing need arising within the Northern West Sussex HMA should be a priority ahead of other overlapping areas.

Conclusions

- 2.5 The NWS HMA was first established in 2009, comprising Crawley, Horsham and Mid Sussex authority areas. The evidence has been updated on numerous occasions since and reaches the same conclusion – whilst there are overlaps with other HMAs, the predominant HMA for all three authorities is Northern West Sussex. This position has been tested at examination and endorsed by three independent Planning Inspectors.
- 2.6 As all three authorities are progressing with reviews of their Local Plans, the evidence related to HMA boundaries has been recently revisited. However, the same conclusions are drawn. The Crawley Borough Local Plan is in its late stages of examination, with the Modifications consultation having closed on 25 March 2024. The Inspectors' Post-Hearings Letter (dated 31 January 2024) has not sought to challenge or amend these conclusions nor the evidence supporting them.

Strategic Geography: Points of Agreement

The Northern West Sussex Housing Market Area authorities agree that:

- The evidence regarding Housing Market Area boundaries is robust and fit-for-purpose.
- The latest studies (Crawley and Horsham, 2019 and Mid Sussex 2021) are consistent with each other, and the conclusions are sound.
- The primary Housing Market Area for the three authorities is the Northern West Sussex HMA.
- There are overlaps with the Coast in the southern parts of Horsham and Mid Sussex districts, and with areas in Surrey lying to the south of the M25. However, the evidence points to the NWS HMA being the primary HMA for planning purposes, including the consideration of cross-authority unmet need.

3. Housing Need: Prioritisation

- 3.1. Section 2 presented findings that the Northern West Sussex HMA is the predominant HMA, with some overlaps with the Coastal HMA to the south. The NWS HMA authorities agree that this provides a priority order for the purposes of addressing housing need through local plans.
- 3.2. The authorities agree that it is appropriate to establish a priority order, given:
 - Firstly, the extent of objectively assessed housing need arising in each individual authority area;
 - Secondly, the specific and evidenced circumstances (e.g. environmental and infrastructure constraints) which could limit housing growth;
 - Thirdly, the extent to which each authority can meet its own need and any clearly evidenced residual unmet need arising, given the constraints;
 - Fourthly, the opportunities to contribute towards unmet need arising in functionally related areas outside the individual authority area.
- 3.3. A priority order has been established. This recognises the fact that contributions towards meeting unmet need arising are likely to be limited and therefore any such contributions towards unmet need should be directed to those most logically and evidentially linked in the first instance.
- 3.4. The authorities agree with the priority order in the text box below as a principle. However, it is recognised that:
 - This has been established based on the evidenced HMA boundaries as described in Section 2, rather than with reference to specific sites and their impacts.
 - The allocation of specific sites on or very close to non-NWS HMA local authority boundaries may justify an alternative approach to the priority order, however this should be the exception (and justified by evidence) rather than the rule.
- 3.5. For instance, through the site selection process an authority may wish to allocate development within their area on/very close to their administrative boundary. Where there is supply above meeting the host authority's needs, this would most logically (and in sustainability terms) assist firstly with housing need arising the other side of that border. It is therefore recognised by the authorities that, in some cases, this may mean deviating from the established priority order.

Housing Need Prioritisation: Points of Agreement

The Northern West Sussex Housing Market Area authorities agree that, subject to meeting individual housing needs and establishing that there is potential to assist other authorities with unmet need, assistance should be prioritised as follows:

- **Priority 1: Northern West Sussex HMA.**
- **Priority 2: Coastal West Sussex HMA.**
- **Priority 3: Other adjacent and nearby HMAs where it is justified by each individual authority.**
 - e.g. Surrey authorities (CBC and HDC), East Sussex authorities (MSDC) and, following those, London (all).

It is for each authority to set out how it can meet its own needs and any other authority's needs (or otherwise) through evidence produced through the preparation of their respective local plans.

It is recognised that there may be reason to deviate from the priority order during the process of assessing the most suitable sites for allocation. Deviation from the above priority order will need to be justified by evidence and any implications discussed and considered jointly with the NWS HMA authorities.

4. Housing Need: Current Position (June 2024)

Northern West Sussex HMA – Local Plan Reviews

- 4.1 As described in previous sections, the three HMA authorities each adopted their Local Plan between 2015-2018 and have commenced a review of these plans in accordance with the NPPF. All three reviewed Local Plans are at an advanced stage.
- 4.2 Section 1 describes the historic engagement and co-operation between the three HMA authorities which led to the HMA's need for housing being met overall, within the three authorities' adopted Local Plans. This involved contributions from Horsham and Mid Sussex to resolve Crawley's unmet housing need.
- 4.3 However, the mechanism for determining Housing Need has since changed, and overall housing needs within the HMA have increased since the current Local Plans were adopted. The three authorities agreed to approach the challenge of unmet housing need in the same way as had been successful previously. The remaining sections of this SoCG set out the approaches taken and agreements reached.

Standard Method

- 4.4 Since the three Local Plans were adopted, the Government has introduced the Standard Method for assessing local housing need.
- 4.5 It is important to recognise that this represents the Standard Method 'starting point' for housing need. The extent to which this need can be met will be subject to the three authorities' assessment of potential supply (i.e. site selection process and the timing of housing delivery) which will include consideration of any constraints and mitigations. This is set out further in sections 5 and 6.
- 4.6 The Standard Method calculation is updated at least annually. The most recent update was in March 2024 to reflect the publication of the latest affordability ratio data.
- 4.7 For the purposes of this SoCG:
 - **Crawley:** the newly released 2024 data post-dates the housing need set out in the submission Local Plan (July 2023) which was subject to examination hearings November 2023/January 2024. The Crawley Local Plan will therefore be based on the figures in place at that time. The housing need figure for Crawley within this SoCG is therefore the 2023 Standard Method (as at 1st April 2023), for consistency.
 - **Horsham and Mid Sussex:** Both authorities commenced consultation on Regulation 19 versions of their reviewed Local Plans in January/February 2024; the housing needs set out in these plans therefore pre-dates the latest Standard Method figures. Planning Practice Guidance states that the housing need figures should be calculated at the start of the plan-making process and kept under review/revised where appropriate. The housing need figures for Horsham and Mid Sussex within this SoCG have been updated to reflect the 2024 Standard Method (as at 1st April 2024) as it is likely that this will be the most up-to-date position at time of submission and for the purposes of examination.

Housing Need – Comparison to Standard Methodology

- 4.8 Whilst the NWS HMA authorities have been able to meet housing need in full in the past, it is recognised that this is becoming more of a challenge. One reason for this is

the increase in Housing Need for the three authorities since previous Local Plans were adopted, predominantly as a result of the introduction of the Standard Method for Housing Need in national policy (previous Local Plans were prepared on the basis of locally prepared housing need studies).

- 4.9 Applying the Standard Method formula for the three authorities shows an increased need of **510 dwellings per annum** compared to that established in current adopted plans, an increase of approximately 18%.

Table 2 - Standard Method Calculation (CBC – as at 2023, HDC and MSDC as at 2024)

	Current Local Plan OAN (dpa)	Standard Method (dpa)	Difference (dpa)
Crawley	675	755	+80
Horsham	650	917	+267
Mid Sussex	876	1,039	+163
TOTAL	2,201	2,711	+510

- 4.10 Therefore, the ability for each of the authorities to meet their own need (before making any consideration of over-supply to meet HMA needs) is becoming more challenging compared to the most recently adopted plans. This is significantly compounded by recent developments related to Water Neutrality which are constraining housing supply within Crawley in the short to medium term and in Horsham across the new Plan period – this is discussed further in section 6: Housing Supply.

Standard Method – Considerations

- 4.11 The National Planning Policy Framework published in December 2023 (NPPF) confirms that the Standard Method for calculating housing need is an advisory starting point for plan making purposes (i.e. not mandatory). In effect, this was also the case at the time the September 2023 NPPF was extant, and indeed all versions of NPPF dating from July 2018. Planning Practice Guidance remains very clear that alternative approaches should only be used in exceptional circumstances and will be scrutinised more closely at examination.
- 4.12 The December 2023 NPPF, which post-dates the SHMAs, cites ‘particular demographic characteristics’ as possible justification for an alternative assessment method: a circumstance that does not apply in the NWS area. The NWS HMA authorities’ SHMAs were prepared by consultants ICENI – they were based on Planning Practice Guidance published in 2018 which is still relevant. They set out the Standard Method figure and considered whether there are any exceptional circumstances that would justify taking an alternative approach towards setting the starting point. The SHMAs concluded that there is no justification for deviating from the Standard Method formula or its components in setting the starting point for housing need (noting the housing requirement/supply is assessed separately as discussed above) within this plan period.

Gatwick Airport – Future Growth Proposals

- 4.13 The SHMAs consider whether there are any circumstances by which housing need has been under-estimated by the Standard Method and therefore should be higher. All three authorities’ SHMAs consider whether growth funding is in place to facilitate additional growth (such as Housing Deals, City Growth Deals, etc), whether strategic infrastructure improvements are likely to drive an increase in homes needed locally, and the inter-relationship with the assessed need for affordable housing. These are

specific circumstances set out in Planning Practice Guidance that could justify increasing housing need to beyond the figures set out by the Standard Methodology.

- 4.14 The SHMAs consider future growth proposals at Gatwick Airport. The airport lies within Crawley borough's administrative area. In July 2023, Gatwick Airport Limited (GAL) submitted a Development Consent Order (DCO) application to bring its northern standby runway into routine use. Should this be successful, it would increase passenger numbers from 46.6 million passengers per annum (mppa) in 2019, to 75.6 mppa by 2038 and over 80million by 2047, compared to 62.4 mppa by 2038 and 67.2 mppa by 2047 in GAL's base case forecasts which exclude the project.
- 4.15 The DCO is currently under examination and a decision is not expected until early 2025. The SHMAs concluded that the expansion plans do not justify increasing housing need. The Authorities, having now reviewed GAL's Housing and Population evidence, have prepared a Joint West Sussex Local Impact Report which accepts GAL's conclusions that the DCO proposals, if approved, would not increase general housing need beyond that already planned for in the wide labour market area for the Airport. However, concerns are flagged regarding the impact of non-home based construction workers on short term temporary accommodation in the local area, and on affordable housing.

Housing Need: Points of Agreement

The Northern West Sussex Housing Market Area authorities agree that:

- The Standard Method figures, set out in Table 1 above, are correct at date of agreement and publication of this SoCG.
- Housing need has increased significantly since the current suite of adopted Local Plans was adopted.
- The ability for each of the three authorities to meet current housing need (both individually and for the primary HMA as a whole) is becoming more challenging, given environmental and infrastructure constraints.
- Consideration has been given to assessing whether an alternative approach could be justified for the starting point for housing need. However, the evidence does not suggest that an alternative approach should be used at this time and there are no circumstances to demonstrate that actual need is higher than the Standard Method indicates.
- Therefore, the Standard Method figures, set out in Table 1 above, are the appropriate housing need figures for the purposes of preparing the NWS HMA respective Local Plans.
- Setting the housing requirement (i.e., the extent to which an authority can meet its housing need) is a separate exercise which will be determined through preparation of the respective Local Plans and informed by the Duty to Cooperate.

5. Assessment of Housing Supply Options: Site Selection

- 5.1 There is a long-standing history of co-operation between the three HMA authority areas to understand the options available within each of the respective authority areas to maximise housing supply, the sites with potential to contribute towards this, and the constraints that impact on suitability and deliverability – both cross-boundary constraints and those specific to each authority area individually.

Site Selection Principles

- 5.2 The three authorities maintain ongoing engagement in relation to the site selection process. Due to individual circumstances (e.g. timescales of plan production, differing constraints, number and typology of sites submitted for consideration) it has not been possible to establish a joint site selection methodology to be used across the authority areas.
- 5.3 Whilst each authority has its own approach to site selection, there are many commonalities across the HMA. In particular, how each authority has approached the requirements of NPPF paragraph 11 with respect to meeting housing need and demonstrating constraints are common.
- 5.4 The authorities are content that each a) will/have establish a methodology for site selection based on the common considerations below, b) will aim to apply the methodology on a consistent and robust basis and c) are provided with the opportunity to challenge the application of the methodology through ongoing engagement to ensure each authority is maximising housing growth with respect to NPPF paragraph 11.
- 5.5 Whilst these principles are agreed, this does not prejudice the authorities from commenting on the application of any established methodology, or likely impact (both positive and negative) arising from individual sites. However, such comments should be raised at the earliest opportunity through ongoing engagement so that there is ample opportunity to discuss implications, refine conclusions and seek agreements where possible.

Site Selection: Common Considerations and Constraints

Sustainability

- 5.6 The NPPF requires Local Plans to promote a “sustainable pattern of development” (NPPF para 11), and “be prepared with the objective of contributing to the achievement of sustainable development” (NPPF para 16).
- 5.7 For development to be sustainable it needs to be supported by the appropriate infrastructure and services, such as education, health, retail and employment. It should promote the use of sustainable modes of transport (for example, be planned to support new public transport services or located to encourage active travel rather than the use of a car) and seek to protect and enhance the natural environment.
- 5.8 In largely rural districts such as Horsham and Mid Sussex, development that is isolated from existing settlements is unlikely to contribute towards a sustainable pattern of development although this will be assessed on a case-by-case basis through the site selection process. In addition, larger sites may have the potential to deliver on-site infrastructure and services that could enable them to be self-sufficient and deliver sustainable places.

- 5.9 The three authorities agree that the principle of delivering sustainable development, in line with NPPF paragraphs 11 and 16, forms the basis of plan-making and is therefore integrated into their site selection processes and/or documented in Sustainability Appraisals.

Environmental Constraints

- 5.10 NPPF paragraph 11b states:

“Strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

- i) the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*
- ii) 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”*

- 5.11 The authorities’ approach to site selection is based on a common understanding of the constraints to development referred to within paragraph 11b and expanded upon within the NPPF. The authorities agree that sites should not generally be suitable for housing in locations where one or more of the following locations is relevant (paragraph numbers refer to NPPF Dec 2023):

- **Areas of Outstanding Natural Beauty** – great weight should be given to conserving and enhancing AONBs, in accordance with paragraph 182 permission should be refused for major development (as defined by footnote 64) other than in exceptional circumstances.
- **Ancient Woodland** – in accordance with paragraph 186, development resulting in the loss of irreplaceable habitats such as ancient woodland should be refused, unless there are wholly exceptional reasons.
- **Biodiversity** – in accordance with paragraph 186, development on land within or outside a Site of Special Scientific Interest (SSSI) and which is likely to have an adverse effect on it should not normally be permitted unless exceptional circumstances can be demonstrated.
- **Flood Risk** – in accordance with paragraph 165, inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk. This does not mean that sites with an element of flood risk should be rejected, however it is likely sites significantly affected by flood risk will not be suitable.
- **Heritage** – in accordance with paragraphs 205-208, great weight should be given to conservation of heritage assets. Where a proposed development will lead to substantial harm (or total loss) consent should be refused. Where less than substantial harm, the harm should be weighed against public benefit.
- **Noise** – Aircraft noise is a particular constraint on noise sensitive development, including housing, in the northern part of Crawley borough, in accordance with paragraph 191 which states *“Planning policies and decision should also ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health, living conditions and the natural environment”*.

Infrastructure Constraints

- 5.12 Whilst this Statement of Common Ground focuses on housing matters, the Northern West Sussex Statement of Common Ground (2024) identifies the authorities’ agreement on cross-boundary strategic infrastructure. The SoCG identifies constraints

which could theoretically limit housing growth, such as transport, water capacity, education and health.

- 5.13 The SoCG identifies mechanisms for the authorities to work together to aim to resolve cross-boundary constraints and therefore aim to maximise housing growth. This includes commissioning of joint studies, the sharing of conclusions reached by individually commissioned studies (e.g. transport modelling) and seeking opportunities to resolve any such issues collectively (e.g. infrastructure provision).
- 5.14 The authorities do, however, recognise that there are specific infrastructure constraints within each individual authority area (i.e. not cross-boundary) which may potentially constrain housing growth. The authorities will share such information, and the measures put in place to attempt to resolve/mitigate such constraints.

Engagement to Date

- 5.15 The three authorities have, and will continue to, engage positively to discuss potential housing supply as the plans progress towards adoption.
- 5.16 For example, as part of the preparation of the revised District Plan (Regulation 18), Mid Sussex engaged with Crawley and Horsham in 2022 on its site selection process. This included consulting neighbouring authorities on the Site Selection methodology and making refinements as necessary, presenting the approach taken and explaining the conclusions and implications (e.g. broad findings from transport and other studies).
- 5.17 Horsham similarly has engaged with the other Northern West Sussex authorities during their Regulation 18 period. This included inviting discussions on site assessments, mostly through the regular NWS group meetings, but also at bilateral discussions with the other NWS authorities respectively.
- 5.18 In addition to engaging directly through similar meetings set out above, Crawley Borough Council published an updated Strategic Housing Land Availability Assessment in February 2023. This includes an updated introduction giving an account of how the council had assessed the 'suitability' of sites for residential development. The updated SHLAA supported the spring 2023 Regulation 19 consultation on the Crawley Borough Local Plan Review. The Regulation 19 consultation was also supported by an updated Housing Trajectory, Windfall Statement, Housing Supply Topic Paper, and Compact Residential Development Study, providing further explanation of the extent and sources of the borough's projected housing supply. The Inspectors' Post-Hearing letter confirmed that they are satisfied that plan preparation has sought to optimise housing delivery as far as is practicable and that no major sources of potential housing supply have been omitted and the proposed significant uplift in the windfall allowance would be justified.

On-Boundary and Cross-Boundary Sites

- 5.19 There are large sites close to the respective administrative boundaries that are likely to have cross boundary implications due to their scale and/or location. The NWS authorities have a long-standing history of working together on the consideration of proposals related to such sites, including the past commissioning of joint studies (e.g. the 'At Crawley' Study) to understand options for on-boundary and cross-boundary growth potential.
- 5.20 The authorities continue to work together to understand the growth potential, constraints and cross-boundary impacts that could arise from these sites. Where these sites are being promoted for development within an authority's Local Plan, separate bi-

lateral Statements of Common Ground will be prepared to capture points of agreement/disagreement arising from these proposals and to highlight when individual authorities have expressed formal opposition to such cross-boundary proposals.

Assessment of Options – Local Supply: Points of Agreement

The Northern West Sussex Housing Market Area authorities agree that:

- Each authority has undertaken an assessment of capacity for development within their boundaries, taking account of opportunities and constraints (including cross-boundary) and site suitability and achievability in accordance with the principles established in the NPPF.
- The individual site selection processes consider sustainability, environmental constraints and infrastructure constraints.
- 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.
- On-boundary and Cross-boundary sites may be subject to more detailed engagement and common and uncommon ground will be captured in separate (likely bilateral) SoCGs.
- Cross-boundary engagement processes have, to date, been satisfactorily undertaken and will continue.
- 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.
- It is for the respective authorities to demonstrate through examinations in public whether appropriate conclusions have been reached on these matters.

6. Housing Supply: Current Position (May 2024)

- 6.1 The first iteration of a separate Housing Needs Statement of Common Ground was agreed by the three authorities in July 2023. Previously, housing matters were set out in the Northern West Sussex Position Statement alongside other strategic cross-boundary topics. At the time the previous version was agreed, both Horsham and Mid Sussex were at relatively early stages of their Local Plan Reviews and there was uncertainty around their respective proposed housing supply positions. The total land supply from the three sets of plans under production was therefore unknown and not reported within the SoCG.
- 6.2 All three plans have progressed significantly since July 2023 – Crawley to the point of submission and examination, and Horsham and Mid Sussex to Regulation 19 and nearing submission. Therefore, this chapter reflects on the outcomes reached by the three authorities in determining their housing land supply, the extent to which housing need is being met within the Housing Market Area, and implications of any remaining unmet need.

Local Plan Progress – June 2024

Crawley Borough Council

- 6.3 The Crawley Borough Local Plan 2023-2040 (CBLP) was published for Regulation 19 Consultation between 9 May and 20 June 2023 and submitted for Examination on 31 July 2023. Examination hearing sessions were carried out in two parts, held in November 2023 and January 2024. Following the discussions at the Hearings, the Inspectors issued a post-hearing letter, dated 31 January 2024.
- 6.4 The Inspectors' Post-Hearing letter confirmed that the Inspectors were satisfied that the preparation of the submitted Plan has met the legal requirements of the Duty to Cooperate.
- 6.5 Due to the borough's tight administrative boundaries and known existing constraints, the Submission Crawley Borough Local Plan was based on a continuation of the adopted Local Plan's supply constrained housing delivery figure, updated to reflect the current evidence within the Housing Trajectory. This identified a total supply of 5,030 net dwellings over the period 2024-2040. Through the Local Plan Examination, the Inspectors indicated that the appropriate Plan period for the Crawley Borough Local Plan would be 2023-2040. On this basis, the housing supply figure was revised to reflect the additional year 2023/24, and the emerging Crawley Borough Local Plan commits to a total housing delivery of 5,330 net dwellings. This leaves an outstanding unmet need of 7,505 dwellings over the Plan period (2023-2040).
- 6.6 In their Post-Hearings letter, the Inspectors confirm that *“Given the clear constraints facing the Borough, the submitted plan's approach of presenting the housing requirement as a supply-led figure would be sound. We are satisfied that plan preparation has sought to optimise housing delivery as far as is practicable. In particular, we consider the Plan provides a positively prepared framework to support the revitalisation of the town centre as a neighbourhood for approximately 3,000 homes over the plan period. We will deal with this in more detail in our report but, ultimately, we find the Plan would be consistent with national planning policy, positively*

prepared and justified in accommodating approximate 42% of the Borough's housing need over the plan period. No major sources of potential housing supply have been omitted and the proposed significant uplift in the windfall allowance would be justified" (paragraph 4).

- 6.7 The council published Main Modifications to the Local Plan, arising from the Inspectors' letter, for a formal six-week public consultation between 12 February and 25 March 2024. The council received the Inspectors' Post-Main Modifications Consultation letter on 9 May 2024. This highlighted a small number of areas where they have invited the Borough Council to further assist the examination. None of these related to cross boundary matters or the Duty to Cooperate across the Northern West Sussex Authorities.

Horsham District Council

- 6.8 The Horsham District Local Plan 2023-2040 (HDLP) was published under Regulation 19 (pre-submission) on 19 February 2024 and over a statutory 6-week period the Council received approximately 1,700 representations. The HDLP is timetabled for submission to the Secretary of State in July 2024.
- 6.9 Early stages of local plan preparation had anticipated allocating sufficient housing land to assist in meeting unmet housing need from Crawley Borough as well as meeting its own need in full – as was the case when the current local plan was adopted. However, in September 2021, HDC and other planning authorities falling within the Sussex North Water Resources Zone received a Position Statement from Natural England. This explained that it could not be concluded that water abstraction at Pulborough was not having an impact on the Arun Valley SAC, SPA and Ramsar Site, and that development must not add to this impact.
- 6.10 To therefore be compliant with Habitat Regulations, all new development in Horsham District must at the current time be water neutral. This has resulted in a significant fall in planning permissions since late 2021 and is an ongoing constraint on development coming forward in an HRA-compliant manner. Consequently, HDC's proposed Local Plan housing target of 777 dwellings per annum (annualised average) reflects that it is unable to meet its own full assessed housing need nor any additional housing needs from other areas including from within the Northern West Sussex HMA.

Mid Sussex District Council

- 6.11 The submission draft Mid Sussex District Plan 2021 – 2039 was subject to Regulation 19 consultation in January/February 2024.
- 6.12 In total, 270 sites (equating to approximately 31,000 dwellings) were promoted to the Council for assessment. The Council consulted upon, and subsequently published, a Site Selection Methodology which is based on the principles set out in Section 5 of this SoCG. This process rejected sites that were not in accordance with the NPPF, namely the approach set out in paragraph 11. Sites that reached the latter stages of the Site Selection process formed the Reasonable Alternative site options within the Sustainability Appraisal and were also tested in-combination in the Council's strategic Transport Assessment, Habitats Regulations Assessment and Air Quality Assessment.
- 6.13 As a result, the proposed submission plan proposes the allocation of seven Sustainable Communities sites totalling 5,243 dwellings in locations to encourage sustainable development. Of this, three are significant sites (ranging from 1,350 to

1,850 dwellings) providing on-site infrastructure such as education, health, employment, retail, community use and open space. In addition, the plan includes 17 further smaller housing site allocations totalling 1,444 dwellings and a windfall allowance based on evidence set out within an Urban Capacity Study of 1,768 dwellings.

6.14 Once taking account of existing commitments and completions, the plan demonstrates that Mid Sussex housing need can be met in full with an over-supply of **1,208** dwellings. This is an increase from the 302 dwelling over-supply within the Regulation 18 version of the Plan.

6.15 The submission draft explains that any provision above meeting Mid Sussex housing need will contribute towards unmet need arising within the Northern West Sussex Housing Market Area in accordance with the agreed priority order set out in this SoCG in section 3.

Housing Supply Position – Summary

6.16 Based on the agreed position on Housing Need set out in Section 4 of this SoCG and the Housing Supply position set out in the most recent published Plans, the total unmet need within the Northern West Sussex Housing Market Area is currently 8,947 dwellings.

6.17 Note that, in order to provide a fair comparison, the position below is for the period 2023-2040 to align with Crawley and Horsham plan periods (noting Mid Sussex plan period is 2021 – 2040).

Table 3 - Local Plan Housing Supply

	Period	Local Housing Need	Local Plan Supply	Under/Over Supply
Crawley	2023 - 2040	755 dpa Total: 12,835	Yr 1-5: 386 dpa Yr 6-10: 386 dpa Yr 11-17: 210 dpa Total: 5,330	-7,505
Horsham	2023 - 2040	917 dpa Total: 15,589	Yr 1-5: 480 dpa Yr 6-10: 901 dpa Yr 11-17: 901 dpa Total: 13,212	-2,377
Mid Sussex	2023 - 2040	1,039 dpa Total: 17,663	Yr 3 ² -19: 1,094 Total: 18,598	+935
Total				-8,947

² Years 1 and 2 of the Mid Sussex plan period are 2021/22 and 2022/23 therefore outside the time period set out in this table

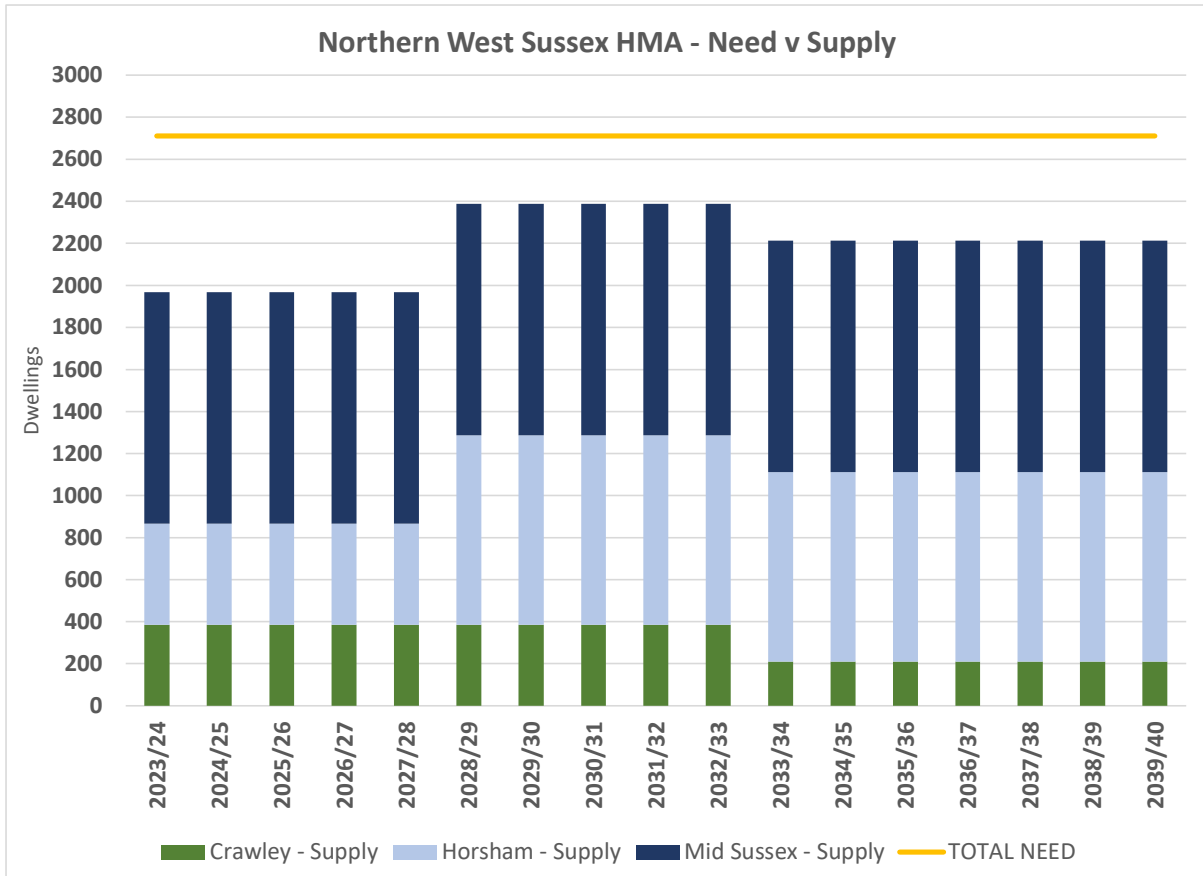


Figure 2 - Northern West Sussex HMA - Trajectory

Unmet Need – Considerations

6.18 As noted in Sections 1 and 4 of this SoCG, the intention of the three authorities has been to meet housing needs in full and this was achieved in the current suite of adopted plans. However, it is noted that increased housing need has made this position more challenging. The HMA has therefore gone from a position of meeting needs in full in 2018, to an anticipated unmet need of 8,947 dwellings based on the latest published figures.

6.19 The three authorities have worked together to explain and understand each other's respective housing supply position ahead of publication of plans at formal stages. Whilst the overriding principle has been to maximise housing supply and therefore address housing need within the Northern West Sussex HMA, there are a number of factors which the authorities have had to consider.

Water Neutrality

6.20 All of Horsham District, most of Crawley Borough and a small part of Mid Sussex District fall within Southern Water's Sussex North Water Resource Zone (WRZ) alongside Chichester and the South Downs National Park. The water supply for this WRZ is sourced from abstraction points in the Arun Valley which includes Amberley Wild Brooks Site of Special Scientific Interest (SSSI), Pulborough Brooks SSSI and Arun Valley Special Protection Area (SPA)/Special Area of Conservation (SAC).

- 6.21 In September 2021, Natural England wrote to authorities within the WRZ advising that existing abstraction may have a negative impact on the Arun Valley sites and that new development must not add to this impact. In effect, development within this zone must be ‘water neutral’ i.e. total water use in the region after the development must be equal (or less) than total water use before the development.
- 6.22 The issue presented is unique and complex, thought to be the first instance in England of local planning authorities having to demonstrate Local Plans are water neutral. It has involved significant strategic joint working between the impacted authorities, Government and water companies since 2021.
- 6.23 This position has severely impacted housing supply. Whilst there has been no impact for Mid Sussex (as only a small area of the district is within the affected WRZ), there has been a significant impact for Crawley and Horsham. Horsham District had previously been in a position to assist with Crawley’s unmet need, however, are now unable to meet their own housing needs. Unmet need within the HMA has therefore increased since Natural England’s position statement was published.
- 6.24 The authorities have worked together to identify deliverable solutions to unlock housing delivery caught up by the Water Neutrality issue, with a strategy agreed and implementation commencing. Whilst this will not resolve the short-term impact on housing supply and will most acutely affect this set of Local Plans, the authorities will continue to work positively, with the likely outcome that that Water Neutrality will have a lesser impact on housing supply in the future e.g. for the next set of Local Plans to be reviewed.

On/Cross-Boundary Site Options

- 6.25 The three HMA authorities have a long history of joint working to consider emerging site options that are located on each other’s administrative boundary or cross-boundary. The authorities have identified the following sites, these are mapped in Appendix A.

Map Ref	Site	Dwellings	Status
a	West of Ifield	3,000	Draft Allocated Site (Horsham)
b	Crabbet Park	2,000	Draft Allocated Site (Mid Sussex)
i	Kilnwood Vale	2,750	Committed / Completed (Horsham)
ii	Heathy Wood, Copthorne	500	Committed / Completed (Mid Sussex)
iii	South of Rusper Road	36	Committed / Completed (Horsham)
iv	Rusper Road	95	Committed / Completed (Horsham)
v	Woodgate, Pease Pottage	600	Committed / Completed (Mid Sussex)

Table 4 - On/Cross-Boundary Sites

- 6.26 The three authorities commissioned consultants to prepare an “At Crawley” study in 2009 which explored a range of site options. The study concluded that there were three locations with development potential:
- North East Sector (1,750 – 2,250 dwellings) – within Crawley
 - Crabbet Park (2,100 – 2,700 dwellings) – within Mid Sussex
 - West of Ifield (2,590 – 3,300 dwellings) – within Horsham

- 6.27 The North East Sector (now known as Forge Wood) was granted permission in 2011 for 1,900 dwellings and therefore has contributed to Crawley's housing supply.
- 6.28 Crabbet Park is a proposed allocation within the submission draft Mid Sussex District Plan (policy DPSC2). Following detailed appraisal by the District Council and site promoters, it is allocated for 2,000 dwellings, with approximately 1,500 developable within the plan period to 2040.
- 6.29 West of Ifield is a proposed allocation within the submission draft Horsham Local Plan (policy HA2). The site is capable of accommodating 3,000 dwellings of which 1,600 are anticipated to be delivered within the plan period to 2040.
- 6.30 The three areas with development potential within the At Crawley study are now either complete, in progress, or draft allocations in forthcoming Local Plans.
- 6.31 In addition, further significant developments have taken place close to/on the Crawley Borough boundary since the 2009 study was commissioned. This includes Heathy Wood, Copthorne (500 dwellings) and Woodgate, Pease Pottage (600 dwellings), both within Mid Sussex.
- 6.32 Historically, a strategic site known as Mayfield Market Town had been promoted for development within the Horsham and Mid Sussex Local Plan processes. This was a significant sized site of approximately 10,000 dwellings on the Horsham and Mid Sussex border. Both Horsham and Mid Sussex councils rejected this site during the period set by their current respective Local Plans, and this position was successfully defended at examination. Whilst this has remained one option to boost housing supply and potentially contribute towards unmet needs within the Housing Market Area, the site is no longer being actively promoted and has been withdrawn from consideration. Therefore, this continues to not be a deliverable option within the emerging local plans' respective periods and has been rejected by both authorities.
- 6.33 Following careful consideration of site options on or close to administrative boundaries by the three HMA authorities, there are no further site options that could be delivered within this plan period. It should be noted that any potential options close to or including land within Crawley Borough or Horsham District are also likely to be impacted by Water Neutrality. Whilst not the subject of this SoCG, the NWS authorities have co-operated with wider sub-regional authorities (such as those within the West Sussex and Greater Brighton grouping) to seek options to increase supply in these areas on cross-boundary sites. However, no adjacent authority outside of the Northern West Sussex HMA is currently able to demonstrate meeting their own housing need and therefore there are no opportunities for those authorities to contribute towards unmet needs within Northern West Sussex.
- 6.34 Against this context, the three HMA authorities have considered all reasonable options for boosting housing supply. However, each respective authority has provided evidence of there being limited options that do not also impact on water neutrality or accord with the authorities' respective site selection processes which consider other constraints to development in accordance with the NPPF (as per section 5).

Unmet Need - Conclusions

- 6.35 As a result of the above, the authorities agree that housing need within the Northern West Sussex Housing Market Area will not be met by the emerging set of plans. The authorities will continue to work together to identify options for increasing housing

supply further. However, it is recognised that there will continue to be an unmet need for housing in the HMA.

- 6.36 The authorities impacted by water neutrality are working collectively to seek solutions which will unlock housing delivery beyond the short-medium term and this is demonstrated by the improving housing supply position within Horsham as the plan period progresses. In addition, all parties confirm they are committed to seeking opportunities to further boost housing supply beyond the proposed Plan targets (a 'floor not a ceiling'). The housing supply position is expected to improve during the next cycle of plan making i.e. when the emerging set of plans are reviewed within the next 5-years.
- 6.37 Therefore, the HMA authorities continue to commit to engaging proactively to address housing need during preparation of future plans where required, when there is likely to be more certainty with regards to potential supply.

Gypsy and Traveller Accommodation

- 6.38 There is an identified need for new Gypsy and Traveller sites in the North West Sussex HMA over the respective Local Plan periods. Mid Sussex has identified that they are able to accommodate their district-specific needs in full, through a combination of new site allocations on strategic housing sites, and existing commitments. Crawley Borough has an assessed potential future need for up to 10 pitches over the Plan period which will be provided through a site allocation at Broadfield Kennels, southwest of the A264. Horsham District has a significant forecast need to accommodate 128 new households over its Plan period, which includes those only recently brought into the planning definition of 'Gypsy and Traveller' due to changes to the Planning Policy for Traveller Sites (PPTS); whilst 15 new sites are allocated in its new local plan, there nevertheless remains an unmet need for 59 pitches.
- 6.39 HDC in November 2023 wrote to its neighbouring authorities to request assistance in meeting this unmet need. CBC and MSDC have subsequently confirmed their respective positions of having limited opportunity to assist in meeting this unmet need at the current time due to constraints on suitable land supply.
- 6.40 Between them the NWS authorities are able to meet needs for Travelling Showpeople plots in full.
- 6.41 Notwithstanding that there remains an unmet need for 59 Gypsy and Travellers in the NWS HMA, all three signatories agree that they have set out in their emerging local plans a positive framework for considering all proposals for new Gypsy, Traveller and Travelling Showpeople sites. The policies are, respectively, Policy H8 (Crawley Borough), Strategic Policy 43 (Horsham District) and Policy DPH5 (Mid Sussex District).

Housing Supply: Points of Agreement

The Northern West Sussex Housing Market Area authorities agree that:

- The current housing supply position based on the latest published figures shows an unmet housing need of 8,947 dwellings in the Housing Market Area.
- They have worked collectively to understand, challenge and seek justification for each respective authorities' housing supply position.
- There have been circumstances outside of the authorities' control, namely Water Neutrality, which has significantly affected housing supply and consequently reduced the ability of the HMA to meet its housing need in full within the current suite of Local Plans under production.
- 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.
- Options for increasing supply have been explored.
- Justification for the housing supply, inclusive of Gypsy and Traveller supply (and consequently under/over supply) is set out in respective plans and is for each authority to justify and defend at examination.
- They continue to commit to engaging proactively to address housing need during preparation of future plans where required.

7. Ongoing Co-Operation and Governance

- 7.1 As described in Section 1, the three HMA authorities have produced an overarching Northern West Sussex Statement of Common Ground (NWS SoCG) which captures the full suite of agreed cross-boundary matters. This Statement of Common Ground focusses on Housing Need given its importance and the significant co-operation on this matter.
- 7.2 The three authorities are currently all in the late stages of Local Plan Review preparation, with Crawley Borough Council being at a more advanced stage. At the time of writing, the current published timetables for the three authorities are as follows:

Table 5: Local Plan Review Timetables

	Regulation 18	Regulation 19	Submission	Examination	Adoption
Crawley	July/Sept 2019	Jan/March 2020 Jan/June 2021 May/June 2023	July 2023	Autumn/ Winter 2023/2024	Autumn 2024
Horsham	Feb/March 2020	Jan/March 2024	July 2024	Autumn/Winter 2024	Spring/Summer 2025
Mid Sussex	Nov/Dec 2022	Jan/Feb 2024	Summer 2024	Autumn/Winter 2024	2025

- 7.3 This Statement of Common Ground has been prepared to capture the position on housing need (i.e., the Standard Method) and supply (i.e., proposals in draft plans) at the time of writing. As the Standard Method is updated annually, and draft plans emerge, the position related to housing need within the HMA may change. Therefore, this SoCG will be reviewed as appropriate to ensure it captures the latest position.

Ongoing Engagement

- 7.4 The three authorities have been meeting on an on-going, regular basis as each of their Local Plan Reviews progress. This has enabled each authority to understand the current position in relation to housing supply and the ability (or not) for each authority to meet its own needs and (where possible) increase supply to assist with meeting unmet need in accordance with the priority hierarchy. The authorities have considered options for increasing supply, as well as the outcomes from wider sub-regional groupings (such as the West Sussex and Greater Brighton group which all three HMA authorities are part of). This co-operation will continue.

Ongoing Co-Operation and Governance: Points of Agreement

The Northern West Sussex Housing Market Area authorities agree:

- This Statement of Common Ground captures a 'point in time' and that it will be reviewed and kept up to date as Local Plan Reviews progress.
- To meet regularly to discuss matters as they emerge and take opportunities to find solutions to maximising housing supply within the HMA area and that any conclusions should be evidence based.
- To continue membership and positive involvement with sub-regional groupings, such as the Gatwick Diamond and West Sussex and Greater Brighton, and any other groupings should they form.
- This statement is agreed by all parties without prejudice to their respective ability to make representations to each other's emerging Local Plans, albeit these representations will respect the 'Points of Agreement' reached within this SoCG.
- This Housing SoCG will be updated (if required) to reflect any emerging evidence or conclusions reached at respective authorities' examinations.

8. Statement of Common Ground – Signatories



Clem Smith

Head of Economy and Planning, Crawley Borough Council



Barbara Childs

Director of Place, Horsham District Council



Ann Biggs

Assistant Director – Planning and Sustainable Economy, Mid Sussex District Council

Appendix 1 – On/Cross-Boundary Site Options

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Crawley Local Plan 2023-2040 | Draft Allocated Sites outside Crawley | Committed/Completed Sites outside Crawley |
|  Forge Wood Neighbourhood (2,270 dwellings) |  a. West of Ifield (3,000 dwellings) |  i. Kinwood Vale (2,750 dwellings) |
|  Crawley Town Centre Boundary (2,087 dwellings) |  b. Crabbet Park (2,000 dwellings) |  ii. Heathy Wood, Copthorne (500 dwellings) |
| | |  iii. South of Rusper Road (36 dwellings) |
| | |  iv. Rusper Road (95 dwellings) |
| | |  v. Woodgate, Pease Pottage (600 dwellings) |

