

Examination Statement

Matter 1

Horsham District Local Plan 2023-2040

Prepared For

Fairfax Acquisitions Limited

Representor numbers:

**1192295, 1192297, 1192284,
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4654

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1 INTRODUCTION

- 1.1 This statement has been prepared on behalf of Fairfax Acquisitions Limited, who have land interests at Newhouse Farm, Horsham, land to the north of Church Farm Walk, Upper Beeding, and Storrington (allocation HA18 ST01).
- 1.2 These representations provide a response to the matters and questions raised by the Inspector and to that extent do not focus on sites not included in the plan, that could otherwise be known as omission sites.
- 1.3 This response focuses on the questions asked in light of the soundness requirements set out in paragraph 35 of the NPPF (September 2023) that requires the plan to be positively prepared, justified, effective and consistent with national policy.



2 MATTER 1 LEGAL AND PROCEDURAL REQUIREMENTS

MATTER 1 ISSUE 1 – WHETHER THE COUNCIL HAS COMPLIED WITH THE DUTY TO CO-OPERATE IN THE PREPARATION OF THE PLAN?

Question 1: What are the strategic matters relevant to the preparation of the Plan (as defined by S33A(4) of the Planning and Compulsory Purchase Act 2004)?

2.1 The Act defines strategic matters as:

- *“Sustainable development or use of land that has or would have a significant impact on at least two planning area, including (in particular) sustainable development or use of land for or in connection with infrastructure that is strategic and has or would have a significant impact on at least two planning areas, and*
- *Sustainable development or use of land in a two-tier area if the development or use –*
 - *Is a county matter, or*
 - *Has or would have significant impact on a county matter.”*

2.2 It is our view this would including housing growth, economic growth, the provision of infrastructure and the environment. The focus of our comments relates to housing growth.

2.3 It will be for the Council to confirm their approach to these points and to the Duty to co-operate.

Question 2: For each of these, who has the Council co-operated with during the preparation of the Plan, what form has this taken? What has been the outcome of this co-operation?

2.4 We have not participated in this process and cannot confirm who the Council has co-operated with. Whilst HDC (Horsham District Council) might consider having met their legal duty to co-operate and not to agree, they have not sought to address the unmet



housing needs of the neighbouring authorities and our submissions on these matters are set out in detail in our Matter 8 Statement.

- 2.5 It is noted that HDC has linkages and overlaps with several housing market areas and there is significant under-delivery in the housing market area. The position HDC has taken in regard to the unmet need is not justified.

Question 3: What substantial concerns have been raised in terms of compliance with the duty to co-operate?

- 2.6 Section 33 A of the Planning and Compulsory Purchase Act requires Horsham to co-operate with other bodies ‘effectively’ and in a constructive manner and to “*engage constructively, actively and on an ongoing basis*” to ensure effective planning of strategic cross boundary matters.
- 2.7 Our major concern is the significant unmet housing need across the Northern West Sussex Housing Market Area. The Council’s own Duty to Co-operate Statement (SD12) identifies this as 8,947 homes in the period to 2040 (July 2024). Whilst we acknowledge the duty is to cooperate and not agree, we would question whether this outcome could be considered effective / positively prepared / justified for the 8,947 households that will not have a home in 2040. And how this position can be considered to accord with National Policy set out in the NPPF, to significantly boost the supply of land for housing and the more recent Written Ministerial Statement (30 July 2024) clearly entitled ‘Building the homes we need’.
- 2.8 We would like to ask for clarity in regard to the figure for unmet housing need in the Housing Market Area. Fairfax Acquisitions Limited recently (October 2024) attended the Local Plan Examination for Mid Sussex and there the figure for unmet housing need in the Northern West Sussex Housing Market Area was given as **9,882**. For the Inspector’s reference, we have enclosed (appendix 1) with this response Mid Sussex’s Housing Need and Requirement Topic Paper (dated July 2024), which confirms that position at paragraph 38. The Mid Sussex figure is some 935 dwellings higher. It is not just a figure but represents almost 10,000 households without a home. It is important to be accurate when identifying this unmet need.



- 2.9 The planning system is meant to genuinely be plan-led, how can this be achieved with such a significant under-delivery in these plans?
- 2.10 Strategy policy 37 point 6 suggests that the unmet need of 2,275 dwellings could be met through exploring opportunities with the Northern West Sussex Housing Market Area. Firstly, the whole point of the duty to cooperate is to explore these opportunities in the plan making process. Secondly, we are not sure what HDC expects to change in the area for authorities to go from significant unmet need to having capacity to accommodate HDC need.
- 2.11 We cannot comment specifically on other neighbouring authorities' ability to accommodate their needs but as set out below believe HDC should be planning to meet their needs, if not additional unmet need from neighbouring authorities, especially given the considerable level of unmet housing need across the housing market area.
- 2.12 To that extent, the Plan confirms it is not meet housing need due to Water Neutrality issues. However, as we understand, and set out in further detail below in our matter 8 statement, Southern Water is required to prepare and update it's on Water Resource Management Plan every five years, a review due to be published this year. That plan is requirement to meet water demand for planned growth and will be subject to Habitat's Regulation Assessment. We would question if the co-operation between HDC and Southern Water has been affective in HDC understanding the outcome of this review and Southern Water understanding the level of growth required to meet housing need.

Question 4: How has the Council co-operated to establish and meet housing need? How specifically have development constraints influenced that co-operation, particularly water neutrality?

- 2.13 It is for the Council to confirm how they have established and how they consider housing need will be met
- 2.14 Our views on water neutrality are expressed in detail in our matter 8 statement. Ultimately, the Council has approached water neutrality as a constraint to development, in terms of limiting the number of homes and business that can be delivered in the plan period. However, it is not an absolute constraint, and we believe the plan should be



focusing on where and how to deliver the housing needed (as set out in Angela Rayner's Ministerial Statement 30 July 2024).

- 2.15 The plan should be enabling, where practicable, developers and site promoters to develop their own solutions to ensure water neutrality, if and when required, by allocating sufficient land to meet needs and any unmet need for neighbouring authorities. Policy 9: Water neutrality enables developers to deliver their own bespoke solutions to water neutrality, regardless of the position with Southern Water and the Environment Agency, which therefore enables the Council to allocate sites for development to meet needs.

Question 5: In overall terms has the Council engaged constructively, actively and on an ongoing basis in maximising the effectiveness of the preparation of the Plan? Are the ongoing partnerships and joint working arrangements between all the relevant bodies accurately reflected in the Plan?

- 2.16 The Council will need to confirm the position in regard to active and on-going engagement. We note that the statement of common ground agreed with the South Downs National Park Authority is dated November 2021, and would ask if this was the last point of contact whether this could be considered on-going?
- 2.17 Equally, the Water Neutrality Statement of Common Ground is dated July 2023. Within that statement it is noted that Water Resource Zones boundaries could change reflecting the activities of Southern Water. This requires on-going and effective co-operation as it is the sole significant issues holding back the delivery of housing. Yet there is no evidence of further review, which is troubling considering Southern Water will publish a Water Resource Management Plan – the content of which are clearly relevant to the delivery of housing.
- 2.18 We note that the Statement of Common Ground requires Southern Water to update the authorities but for forward planning purposes it is not clear whether HDC has had any further contact with Southern Water in this regard and whether they have asked if Southern Water has any future plans that could impact development within HDC's area.



2.19 We cannot see how the co-operation that has been undertaken can be claimed to be constructive or effective when there is such significant unmet need and a series of solutions to enable delivery. To be effective the NPPF requires plans to have “*dealt with rather than differed*” cross-boundary strategic matters (paragraph 35). It is our view that this plan and neighbouring plans, have not dealt with significant unmet housing needs.



APPENDIX

Appendix 1: Mid Sussex Housing Need and Requirement Topic Paper (July 2024)



MID SUSSEX
DISTRICT COUNCIL

Housing Need and Requirement Topic Paper

July 2024

Housing Need and Requirement Topic Paper

Introduction

1. National Planning Policy (NPPF) emphasises that the planning system should be planned, with local plans setting out a framework for meeting housing needs. Paragraph 11 states:

“11b) 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 areas⁶, 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 area⁷; 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.”*
2. Footnote 6 states that the position on unmet need will be agreed through Statements of Common Ground. Footnote 7 sets out the policies within the framework that are applicable – this includes habitat sites, Areas of Outstanding Natural Beauty, heritage assets and flood risk.
3. This Topic Paper sets out the Council’s considerations when determining the Housing Need (i.e. how many homes are needed) and Housing Requirement (i.e. how many homes the Council will plan for to meet the need), drawing together the conclusions of various published evidence base studies, processes and accompanying documents such as the Sustainability Appraisal.
4. A revised NPPF was published on December 19th 2023. Paragraph 230 sets out the transitional arrangements for plan making. It explains that, for plan making, policies within the December 2023 framework will only apply to plans reaching Regulation 19 stage after 19th March 2024. As the draft District Plan has reached Regulation 19 stage before this date, it will be examined against the September 2023 NPPF. References to the NPPF in this Topic Paper are therefore to the September 2023 version.

Housing Need v Housing Requirement: Definitions

5. Planning Practice Guidance explains that there is a difference between Housing Need and the Housing Requirement. It explains that Housing Need is an unconstrained assessment of the number of homes needed in an area and is the first step in deciding how many homes need to be planned for. The Housing Requirement on the other hand is the number of homes being planned for – this uses housing need as the starting point but is a separate exercise that assesses land availability and can take account of constraints such as those set out in footnote 7 of the NPPF. It also accounts for any provision towards unmet needs that cannot be met in neighbouring areas.

HOUSING NEED

6. In accordance with Paragraph 11 of the NPPF, strategic policies should provide for objectively assessed needs for housing. The starting point for this is the Standard Method.

Standard Methodology

7. Paragraph 61 of the NPPF states:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.”

8. The Council commissioned consultants Icenl to prepare a local housing need assessment. The Strategic Housing Market Assessment (SHMA) was published in 2022. The SHMA provides an overview of the housing market, sets out a robust evidence base on housing needs for different groups within the community, and addresses standard method and whether any exceptional circumstances can be considered.

9. Paragraph 61 then goes on to state:

“In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”

10. The Council has engaged collaboratively with its neighbouring areas to understand the levels of need that cannot be met within their areas. Paragraph 61 does not, however, suggest that unmet need should form part of the housing need calculation for Mid Sussex – it is a consideration when determining the amount of development that the Local Plan should plan for i.e. when setting the housing requirement. The Council's considerations regarding unmet need are set out in the Housing Requirement section of this paper.

Standard Method Calculation

11. Planning Practice Guidance sets out the Standard Method formula which is a two-step process.

- **Step 1: Setting the Baseline** – uses the Office for National Statistics household projections, which are based on demographic trends, to determine the number of homes needed for the plan period. Note that Planning Practice Guidance requires the 2014-based Household Projections to be used despite later versions being published, using any alternative data sources would not be considered to be compliant with the Standard Method.
- **Step 2: Adjustment for Affordability** – uses Office for National Statistics affordability data (median workplace-based affordability ratios) to determine an adjustment factor which is applied to Step 1. The formula is:

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio - 4}{4} \right) \times 0.25 + 1$$

- Minimum Local Housing Need is calculated as **Step 1 x Step 2**.
- A further two steps are set out in Planning Practice Guidance (setting a cap and a Cities and Urban Centres uplift) however these are not applicable for Mid Sussex.

12. At Regulation 19 stage (January 2024) for Mid Sussex:

Step 1: Setting the Baseline	Household Projection = 699 dwellings per annum
Step 2: Adjustment for Affordability	Local Affordability Ratio = 12.95 Adjustment Factor = 1.55 $Adjustment\ factor = \left(\frac{12.95 - 4}{4} \right) \times 0.25 + 1$
Minimum Local Housing need	699 x 1.55 = 1,090

13. The Standard Method figure for Mid Sussex at Regulation 19 stage was therefore **1,090** dwellings per annum. This equates to **19,620** dwellings for the full 18-year plan period from 2021 – 2039.

14. The data sources for the Standard Method calculation are subject to annual updates. New affordability data was released in March 2024 (i.e. post Regulation 19). The Step 1 baseline has also shifted from 2023-2033 to 2024-2034. As a result, the Standard Method figure has changed since the Plan was published at Regulation 19 stage. In accordance with Planning Practice Guidance, the Council has reflected this change and is proposing a modification to this end (MM66).

15. At Submission stage for Mid Sussex:

Step 1: Setting the Baseline	Household Projection = 690 dwellings per annum
Step 2: Adjustment for Affordability	Local Affordability Ratio = 12.09 Adjustment Factor = 1.505

	$Adjustment\ factor = \left(\frac{12.09 - 4}{4}\right) \times 0.25 + 1$
Minimum Local Housing need	690 x 1.505 = 1,039

16. At submission stage, the Standard Method shows a reduction in housing need from 1,090 dwellings per annum to 1,039 dwellings per annum. The Council is also proposing a modification to DPH1: Housing to reflect an extended plan-period to 2040 to ensure compliance with the NPPF. This would extend the plan period from 18 to 19-years. Subject to these modifications being accepted, this would provide a total housing need of **19,741** for 2021 - 2040. For the purposes of the rest of this Topic Paper, the latest position (Submission - as at 1st April 2024) is set out.

Consideration of Exceptional Circumstances

17. The SHMA (para 5.18 onwards) considers the circumstances set out in Planning Practice Guidance by which the housing need may be higher than the standard method indicates. This could include:
- Where funding is in place to promote and facilitate additional growth, such as Housing Deals or City Growth Deals;
 - Where strategic infrastructure improvements are likely to drive and increase in the homes needed locally
 - Affordable housing need.
18. The SHMA confirms (p.40) that there are no circumstances in Mid Sussex relating to the above which indicate that 'actual' housing need is higher than the standard method indicates, and therefore no justification for the standard method starting point to be higher.
19. The SHMA includes full and robust analysis of affordable housing need within the district for social and affordable rented accommodation and for those unable to rent or buy in the market. The SHMA concludes that, despite the level of need being high, it is not considered that this would point to any requirement for the Council to increase the local plan housing target above the standard method. The standard method builds in an adjustment for affordability which artificially increases the housing need to improve affordability and therefore there no further adjustments are required.
20. Planning Practice Guidance is clear that housing need figures below the standard method figure will be strongly examined. Any alternative approach will need to be based on robust evidence with only exceptional local circumstances justifying deviation from the standard method. In particular, it states that any method that seeks to use housing projections other than the 2014-based ONS household projections will not be considered to be following the standard method.
21. Whilst the SHMA considers housing need scenarios based on alternative population and household projections (such as more recent ONS data than the 2014-based dataset), it concludes (p.68) that there is no evidenced justification or exceptional local circumstances that support an approach other than using the standard method.

22. A revised National Planning Policy Framework (NPPF) was published in December 2023. As noted above transitional arrangements are in force which mean that the draft District Plan will be examined against the September 2023 NPPF. This being the case, the new provisions within the December NPPF will not apply for plan-making (they will, however, apply for decision making). However, the following paragraphs set out the implications of the new NPPF should they apply at some point in the future and as a sensitivity test.
23. The December 2023 NPPF re-iterates that the Standard Method set out in Planning Practice Guidance remains the starting point for determining housing need. It now sets out examples of ‘exceptional circumstances’ relating to demographic characteristics of an area which may apply and could lead to a reduction in the standard method assessment of housing need. The example provided is “areas that are islands with no land bridge that have a significant proportion of elderly residents”.
24. This demonstrates a particular exceptional circumstance – it does not apply to Mid Sussex. As confirmed by the SHMA, there is no justification for deviating from the standard method – there are no characteristics that are entirely exceptional, any demographic characteristics within Mid Sussex are likely shared with other areas, or reflective of national trends rather than specific to the district.

Housing Need – Conclusion

25. After a full assessment against the September 2023 NPPF and in accordance with Planning Practice Guidance (which includes the provision for updating the Standard Method throughout the plan-making process), the Council concludes that the standard method figure of **1,039 dwellings per annum** is the most robust and justifiable assessment of housing need for the district. This leads to a total housing requirement of **19,741** for the plan period 2021 – 2040. This represents the Council’s position against paragraphs 11 and 61 of the NPPF in relation to setting the district’s housing need.
26. The extent to which the Council can meet the 1,039 dwellings per annum need figure, after consideration of NPPF paragraphs 11b(i) and 11b(ii), and the extent to which the Council can provide for needs that cannot be met within neighbouring areas (as required by NPPF paragraphs 11 and 61) is a separate exercise – the **housing requirement**.

DETERMINING THE HOUSING REQUIREMENT

27. In determining the housing requirement for the District Plan, the Council has considered the following four factors which have informed policy **DPH1: Housing** in the submission draft District Plan:
 - **Committed Supply** – as the adopted plan period, and review period overlap, there are already dwellings ‘planned for’. These are ‘commitments’ and make up part of the overall housing supply. The level of committed supply determines the amount still to be planned for i.e. the residual requirement.
 - **Unmet Need** – in accordance with the NPPF and legal obligations under the Duty to Co-Operate, the Council has given consideration to the extent to which it can over-supply in order to contribute towards needs arising in neighbouring areas.
 - **Site Selection** – the Council has carried out a detailed and robust assessment of potential sites. This exercise accounts for the constraints (both environmental and

infrastructure) to development set out within the NPPF, in particular paragraph 11(b) and footnote 7.

- **Sustainability Appraisal** – a legal requirement, reasonable alternative options for strategy and housing growth have been appraised against the sustainability framework and recorded within the Sustainability Appraisal which accompanies the submission draft District Plan.

28. The Council's housing requirement is supply led. In other words, the extent to which it can meet its need and potentially contribute towards unmet need arising elsewhere is guided by the availability and suitability of sites following the principles set out in the NPPF.

Committed Supply

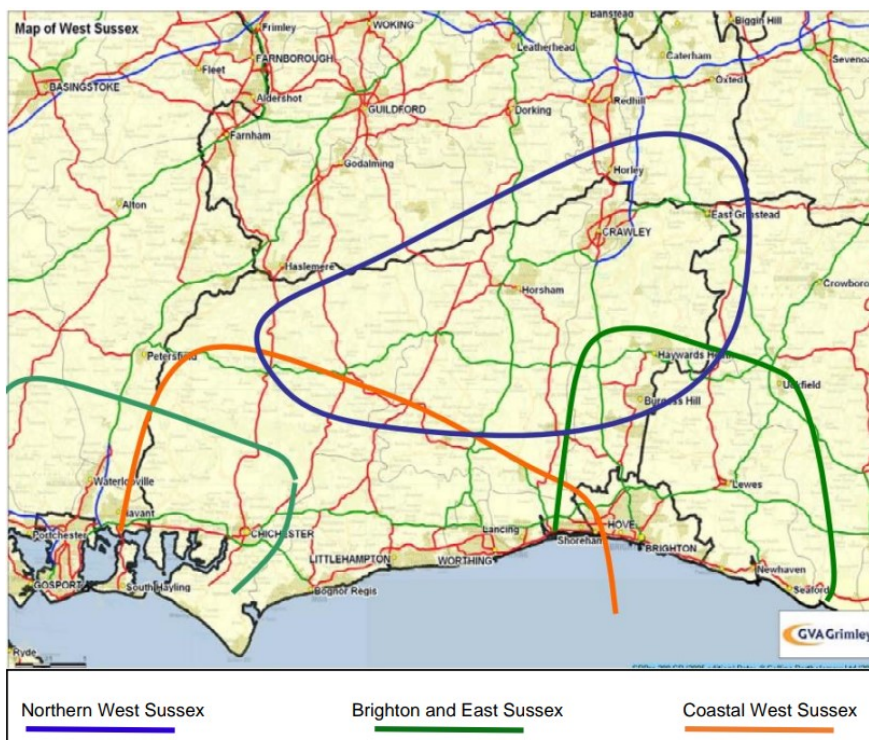
29. The revised plan period commenced in 2021. As such, there have already been three completed monitoring years (2021/22, 2022/23, 2023/24), with dwellings completed within these years counting towards the plan period supply. This totals 3,487 dwellings. In addition, there are 8,696 dwellings already planned for which count towards the total supply – these are made up of previous District Plan, Site Allocations DPD and Neighbourhood Plan allocations that have not yet been built, and sites with planning permission. Further details on each element are set out within the Housing Supply and Trajectory Topic Paper.
30. After accounting for Completions and Commitments, the District Plan must identify a further 7,558 dwellings minimum to meet Mid Sussex housing need identified by the standard method.

Total Mid Sussex Need 2021 to 2040 (1,039 x 19)	19,741
Completions 2021/22	1,187
Completions 2022/23	1,053
Completions 2023/24	1,247
Commitments (existing permissions, plus allocations within the adopted District Plan, Sites DPD and Neighbourhood Plans)	8,696
Total Supply	12,183
Residual "To Find" in District Plan 2021 - 2039	7,558

Unmet Need

31. The Council has a legal Duty to Co-Operate with its neighbouring authorities. This includes a duty to fully consider whether unmet need arising from neighbouring authorities can be met within Mid Sussex.

32. The Council's Strategic Housing Market Assessment (SHMA) assesses Housing Market Areas (HMA) and confirms that Mid Sussex is primarily located within the Northern West Sussex Housing Market Area (NWSHMA) and this is where the strongest links are. This position was first established in 2009 and has been confirmed since through the examination of each authorities' evidence base at examination. The most up-to-date SHMA concludes that this position remains supported by evidence.
33. The NWSHMA comprises:
- Mid Sussex District Council
 - Crawley Borough Council
 - Horsham District Council
34. There is also a secondary overlap with the Greater Brighton and Coastal West Sussex HMA (which includes Brighton & Hove) in the southern part of the district.



Northern West Sussex Housing Market Area

35. In July 2023, the three NWSHMA authorities agreed two Statements of Common Ground (SoCG) – the Northern West Sussex SoCG and a Northern West Sussex Housing Needs SoCG. The Housing Needs SoCG confirms a priority order, based on the evidence base, for assisting with unmet need if they can meet their own need and have capacity to meet the needs of the other areas in the Housing Market Area(s).
- **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.

36. The Housing Needs SoCG also confirms an agreed approach to site selection across the HMA. This considers sustainability, environmental constraints and infrastructure constraints. The Mid Sussex Site Selection Process fully accords with this agreed approach, the SoCG confirms broad cross-authority support for the principles underpinning site assessments.
37. Both Crawley and Horsham are in the process of reviewing their Local Plans. Crawley submitted their Crawley Local Plan 2024-2040 for examination in July 2023, their first examination hearing sessions commenced on 21st November 2023. The plan currently shows an unmet housing need of 7,505 dwellings. Horsham are scheduled to submit a Plan in Summer 2024 which shows an unmet need of 2,377 predominantly due to Water Neutrality issues as advised by Natural England.
38. The Council notes that these positions have not yet been confirmed through examination and are therefore only a point in time position. However, it does demonstrate that the unmet need within the NWSHMA is currently 9,882. A revised Housing SoCG has been signed by all parties which confirms agreement with each other's respective need and supply positions and subsequently the housing need which remains unmet.

Coastal West Sussex and Greater Brighton

39. The Coastal West Sussex and Greater Brighton authorities (Mid Sussex, Adur, Arun, Brighton and Hove, Chichester, Crawley, Horsham, Lewes, Worthing, South Downs National Park Authority) have worked on an ongoing basis to identify and manage spatial planning issues with an impact on more than one planning area and to support integration and alignment of strategic spatial and investment priorities.
40. The authorities have agreed to work collaboratively to explore options for meeting unmet housing need within the area. This has involved commissioning of joint evidence to support development of a longer-term strategy to meet housing and employment needs over the period to 2050. It is estimated that the unmet need within this area is in excess of 30k dwellings due to the constraints within the region – notably the South Downs National Park, High Weald Area of Outstanding Natural Beauty, and the coastal authorities (by their nature) constrained on their southern boundaries by the sea.
41. This work is ongoing and supported by a Board with finance secured from the local authorities to develop and deliver the work.
42. However, the ability for this grouping of authorities to meet housing needs in full is challenging. Firstly, housing need has increased significantly since the group adopted its current set out Local Plans which has made meeting need within 'reviewed' plans more challenging. Secondly, water neutrality is impacting significant parts of the sub-region – almost the entirety of Horsham and Crawley and significant parts of Chichester and the South Downs National Park. This is impacting the ability of these authority areas to meet their own housing need and consequently any ability to contribute towards any unmet need arising elsewhere. Thirdly, no options for significant growth (e.g. through standalone new settlements) have been submitted for consideration.
43. The group of authorities will continue to work together to review this position, however for the purposes of the Mid Sussex District Plan, the NWSHMA remains the first priority should there be any excess supply once Mid Sussex housing need is met.

Unmet Need – Considerations

44. Paragraph 11(b) of the NPPF states that strategic policies should, as a minimum, provide for objectively assessed needs for housing as well as any needs that cannot be met within neighbouring areas, as established through statements of common ground (footnote 6). This is unless the application of policies in the NPPF restrict the scale/type/distribution of development of adverse impacts significantly and demonstrably outweigh the benefits.
45. The exercise to assess constraints and adverse impacts determines the extent to which housing need, including unmet needs elsewhere, can be met. The following sections (Site Selection and Sustainability Appraisal) document the Council's considerations.
46. After carrying out this exercise and determining the number of dwellings that could be delivered within the district without adverse impact, the Council has been clear that any provision over and above meeting Mid Sussex housing need would serve as a contribution towards unmet need arising in the Northern West Sussex HMA in accordance with the agreed priority order and Statement of Common Ground.

Site Selection

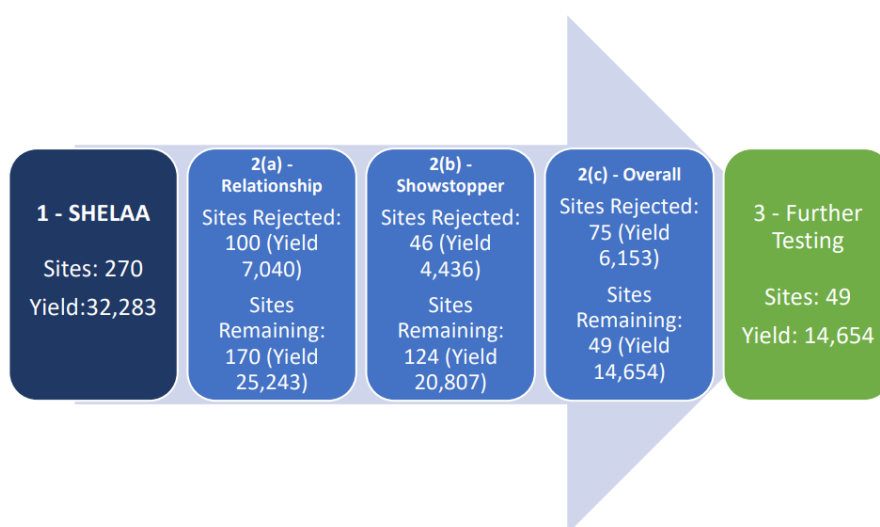
47. The Council takes a positive and pro-active approach to identifying sites to meet housing need. This is documented in two areas within the evidence base:
 - Strategic Housing and Employment Land Availability Assessment (SHELAA)
 - Site Selection Methodology and Conclusions

Strategic Housing and Employment Land Availability Assessment (SHELAA)

48. The Strategic Housing and Employment Land Availability Assessment (SHELAA) forms the starting point in the site identification and assessment process. The SHELAA forms a 'pool' of sites from which to assess for potential for allocation.
49. The SHELAA contains 270 sites. These have been identified as follows:
 - Sites submitted to the Council through formal 'Call for Sites' processes, or informal submissions,
 - Sites previously rejected during the Site Allocations DPD and District Plan 2014-2031 preparation, or
 - New sites submitted during the Regulation 18 consultation on the draft District Plan.
50. The SHELAA carries out a high-level assessment of suitability and only rejects sites that do not meet the identified yield threshold i.e. rejects sites under 5 dwellings as set out in Planning Practice Guidance.
51. All sites of 5 or more units within the SHELAA were assessed against the Site Selection Methodology. A further 3 sites were submitted to the Council during the Regulation 19 consultation – these have now been added to the SHELAA and assessed using the same approach as all other sites.

Site Selection Methodology

52. The Site Selection Methodology for the draft District Plan was based on the Site Allocations DPD methodology which was established in consultation with Town and Parish Councils, Neighbouring Authorities, and the Mid Sussex Developers' Liaison Group. It is based on national policy and guidance. The methodology conforms to best practice and reflects expert legal advice and comments made during focussed consultation. As part of their work to review the appropriateness of sites identified for development, the methodology was scrutinised with input from a cross-party Members Working Group. The Inspector for the Site Allocations DPD found that the methodology was robust and fit for purpose.
53. The application of the Site Selection Methodology ensures that only those sites the Council concludes are developable (as defined by the NPPF – a suitable location for development with a reasonable prospect that they would be available) are selected for allocation. The performance against each of the site selection criteria is evidence based and informed by engagement with external sources (such as the High Weald AONB Unit, Environment Agency and County Council). This process also determines which sites should be tested as “reasonable alternatives” in the Sustainability Appraisal process, as required by legislation.
54. The Site Selection process is a three-step process which aims to identify only the most suitable sites for allocation. The stages are as follows:
- **Stage 2(a) - Relationship to Settlements:** Rejects sites that would not contribute to a sustainable pattern of development, i.e. are remote or disconnected from existing settlements
 - **Stage 2(b) - Showstoppers:** Rejects sites that have a 'Very Negative' impact on criteria which the NPPF says are the most sensitive, e.g. sites that would be concluded as Major development in the AONB, loss of Ancient Woodland, substantial harm to heritage assets, or significant flood risk.
 - **Stage 2(c) - Overall Assessment against Criteria:** Rejects sites that perform negatively when assessed against the 14 Site Selection criteria as a whole.
55. In total, 270 sites were assessed. Following assessment, 49 sites passed to the final stage where they were subject to detailed testing and further consideration. A summary of the results is set out in the diagram below.



56. The full details of this assessment, including reasons for rejecting and selecting sites, are set out in the Site Selection Paper: Conclusions paper which forms part of the evidence base available to view in the online evidence library.
57. A total of 49 sites reached the final stage (Stage 3) of the Site Selection process following application of the agreed methodology. Sites at this stage have been subject to additional testing and consideration, including “in-combination” testing, and accounting for factors additional to the ‘criteria based’ approach taken at stages 2a – 2c. The 49 sites progressing to Stage 3 were considered as ‘Reasonable Alternatives’ and therefore assessed further within the Sustainability Appraisal (see below), which has informed the conclusions reached within the Site Selection Conclusions paper.
58. Sites were rejected at Stage 3 for one of the following reasons:
 - Unsuitable “In-Combination” with other sites – sites reached Stage 3 on the basis of their individual performance against the site selection criteria, however would not be appropriate in combination with other site options in the vicinity due to in-combination impacts. This includes factors such as transport capacity.
 - Overlapping sites – in some instances, alternate versions of sites (differing boundaries or yields) have been submitted. These are suitable individually so reach Stage 3, however it would not be possible to allocate two sites that overlap, for instance.
 - Assessment against the Plan Strategy i.e. is the site consistent with the spatial strategy established within the submission draft District Plan.
59. An additional 3 sites were submitted to the Council during the Regulation 19 consultation – all were assessed against the same methodology as all other sites. All three sites were rejected at stage 2a and were therefore concluded as unsuitable for allocation.
60. The Site Selection Conclusions Paper sets out the reasoned justification for allocating and rejecting sites that reached the final stage of the Site Selection process.

Sustainability Appraisal

61. It is a legal requirement for Local Plans such as the District Plan to be accompanied by Sustainability Appraisal (SA) at each formal stage. For Mid Sussex the SA incorporates Strategic Environmental Assessment (SEA) in accordance with additional legal requirements.
62. The role of the SA is to identify the significant Social, Environmental and Economic impacts of proposals within a plan, and to appraise any ‘Reasonable Alternative’ options. The aim is to identify the extent to which sustainable development is likely to be achieved. It is not a decision-making tool (as some factors such as deliverability are not sustainability factors addressed in the SA) however does inform decisions on plan content.
63. The SA is an iterative process. SA was published and consulted upon at Regulation 18 stage and has been updated to accompany the Regulation 19 version of the plan. The update responds to comments made during the consultation and appraises any additional reasonable alternatives that have been identified since Regulation 18. It appraises five options for spatial options (plan strategy), policies and sites. With regards to sites, it appraises the 49 sites that reached Stage 3 of the site selection process set out above.

64. With regards to housing need and supply, the Sustainability Appraisal considers this in two separate but inter-linked areas:
- Assessment of reasonable alternative spatial options (plan strategy)
 - Assessment of reasonable alternatives for housing policy DPH1
65. These two areas are interlinked in that the spatial strategy is reliant on there being sufficient suitable sites to achieve the strategy, and that allocation of housing sites must be in accordance with the spatial strategy which has a direct impact on the number of sites proposed for allocation.

Assessment of Spatial Options – Plan Strategy

66. The SA appraises reasonable alternative options for the District Plan spatial strategy. The plan strategy is important as it forms the basis for plan-making by setting a sustainable plan and pattern for growth within the district. This is directly linked to the site selection process in that the strategy is based on the availability, deliverability, and suitability of sites. It would not be reasonable to set a plan strategy without sufficient suitable sites to achieve it, as it would not be possible to demonstrate deliverability.
67. When reviewing the strategy within the adopted District Plan 2014-2031, it became clear that it would not be possible to continue with it given the availability and suitability of sites in the Strategic Housing and Economic Land Availability Assessment (SHELAA), increased housing requirement, and the extended plan period to 2039 (now 2040). A revised Plan Strategy, to guide locations for growth to meet local needs, was therefore required. These considerations have been informed by the suitability and availability of sites (e.g. the 49 Reasonable Alternatives).
68. The SA considered 5 strategy options (SA - Appendix C) and concluded as follows:

Option 1: Maintain the existing spatial strategy which focuses development at the towns, with proportionate growth elsewhere.

69. The SA concludes that this option could lead to growth in sensitive landscape areas such as the AONB to the north of Haywards Heath and south/east of East Grinstead. It notes that there were insufficient sites to continue with this strategy and would therefore not be achievable. As a result, this option would not meet housing need within the district and therefore would not be able to contribute towards unmet need arising elsewhere.

Option 2: Growth to support the sustainability potential of existing smaller settlements, settlements with existing facilities and recognising urban extensions can support sustainable growth.

70. The SA concludes that this option would more likely provide protection for the High Weald AONB by avoiding development within it. It has potential to provide new services where growth is outside settlements with existing facilities, which would improve sustainability. As a result of reviewing the reasonable alternative site options and overlaying this strategy option, it would facilitate delivery of around 1,000 homes more than required to meet Mid Sussex housing need.
71. Note that, as a result of the site selection process, the supply figure associated within this strategy option is judged as the maximum suitable/deliverable. A supply figure above this would likely not be compatible with the plan strategy and is likely to require allocation of sites that have been rejected for their significant harm and/or non-compliance with national policy, as set out in the Site Selection Conclusions paper.

Option 3: Creating new sustainable settlement with associated facilities.

72. The SA notes that this option has the potential to have negative impacts on greenhouse gas emissions through increased energy use, as well as increased private car use. This is due to standalone new settlements not being connected to existing services and facilities. The SA also concludes that this option would not be feasible or deliverable as there are no site options put forward to achieve this strategy objective. This option would therefore not meet the housing need within Mid Sussex.

Option 4: Focus development in the three towns and utilising existing facilities and transport links.

73. Whilst this would have positive impacts overall due to the proximity of services and facilities, the SA notes that it would limit the ability of other smaller settlements to contribute towards growth (unlike option 2) and would therefore not meet the housing need within Mid Sussex.

Option 5: Prioritise development on brownfield land.

74. This option is similar to Option 4 as Mid Sussex is a rural district, with brownfield land predominantly within the three large towns and larger villages. It performs well against the social objectives of the SA as well as being highly sustainable in terms of land use.
75. However, the SA notes that (as Mid Sussex is a rural district) there is limited potential to focus all development on brownfield land. There is insufficient land available to meet Mid Sussex housing need.
76. Of the options considered, only Option 2 would lead to Mid Sussex housing need being met in full. The SA therefore rejects options 1, 3, 4, and 5.

Draft District Plan Strategy

77. As a result of the appraisal of strategy options, the Council has based the submission draft District Plan on option 2, whilst taking advantage of the benefits set out in option 5 in order to maximise supply.
78. The submission draft District Plan strategy is based on four themes:
- **Protection of the High Weald Area of Outstanding Natural Beauty;**
 - **Making Effective Use of Land;**
 - **Growth at existing sustainable settlements where it continues to be sustainable to do so;**
 - **Opportunities for extensions to improve the sustainability of existing settlements.**

79. The strategy has been concluded as the most sustainable and deliverable approach given all reasonable alternatives set out in the SA. This, when combined with the site selection conclusions, has informed the housing supply figure within the submission draft District Plan. Given these conclusions, reasonable alternative options for an even greater housing supply figure are limited.

Reasonable Alternatives for DPH1: Housing

80. The SA appraises two options for housing supply, based on the conclusions reached above. These are (1) for the housing requirement to be led by the strategy/site selection conclusions reached above, and (2) a higher growth approach.

81. The appraisal results for both options are similar, with option (2) scoring more positively with regards to delivery of housing as housing supply would be greater. However, the SA notes that option (1) is preferred as it presents a more realistic option for the delivery of housing within the district. This conclusion was reached on the basis that there are insufficient suitable/deliverable sites identified within the Site Selection process that would be strategy compliant to meet growth levels in excess of option (1).

Site Selection Conclusions

82. Following application of the Site Selection methodology and further detailed testing including assessment of compliance with the spatial strategy and Sustainability Appraisal, the following sites were selected for allocation within the draft District Plan at Regulation 19 stage.
83. The sites fall within two categories:
- **Sustainable Communities** – these include ‘Significant Sites’ (e.g. over 1,000 dwellings) that provide on-site services and facilities such as education, health, retail, employment, community buildings and open space. The Significant Sites are the most sustainable way of providing development with the required infrastructure, as well as benefitting existing communities. Development to create Sustainable Communities reflects the Plan Strategy objectives for “*Growth at existing sustainable settlements where it continues to be sustainable to do so*” and “*Opportunities for extensions to improve the sustainability of existing settlements.*”
 - **Housing Site Allocations** – additional housing site allocations ranging from 8 to 350 dwellings.

Sustainable Communities

84. The draft District Plan allocates significant sites at Burgess Hill (DPSC1: Land to the west of Burgess Hill and North of Hurstpierpoint) and at Copthorne, adjacent to Crawley (DPSC2: Land at Crabbet Park). Both sites proposed on-site community facilities such as education, health, retail, open space, and employment. As such, they are sustainable communities with day-to-day facilities on-site and in accordance with the 20-minute neighbourhood principle. These two sites are in accordance with the “Growth at existing sustainable settlements where it continues to be able to do so” strand of the spatial strategy.
85. The Plan also contains a collection of sites at Sayers Common. Policy DPSC3: Land to the south of Reeds Lane, Sayers Common proposes services and facilities on-site to support this development. Four smaller allocations (DPSC4 – DPSC7) are proposed which will also benefit from such day-to-day needs being provided in close proximity.
86. Sayers Common has a limited range of services and facilities, therefore growth at this settlement supported by new on-site infrastructure such as Primary/Secondary education and community facilities will support improved sustainability for the settlement as a whole – both existing and new residents. The quantum of development will also support provision of additional infrastructure (such as wastewater treatment and drainage) to alleviate existing known issues. These sites have been allocated in accordance with the “Opportunities for extensions to improve sustainability of existing settlements” strand of the spatial strategy.

87. In order to ensure the principles of sustainable communities can be met, a specific policy (DPSC GEN: Significant Site Requirements) has been included within the draft District Plan. This places requirements on the sites to support vibrant and inclusive communities, embody the local living and 20-minute neighbourhood principles, provision of a Community Development Officer, prioritise sustainable travel and provision of timely infrastructure to meet local needs. The Sustainability Appraisal has assessed the smaller sites (DPSC4-DPSC7) in the context that a Significant Site is located within the vicinity, unlocking the sustainable development potential of these sites and therefore contributing to the principle of sustainable communities.

Sustainable Communities		
Policy Ref	Site	Yield to 2040
DPSC1	Land to the West of Burgess Hill and North of Hurstpierpoint	1,350
DPSC2	Land at Crabbet Park	1,500
DPSC3	Land to the south of Reeds Lane, Sayers Common	2,000
DPSC4	Land at Chesapeake and Meadow View, Reeds Lane, Sayers Common	33
DPSC5	Land at Coombe Farm, London Road, Sayers Common	210
DPSC6	Land to the West of Kings Business Centre, Reeds Lane, Sayers Common	100
DPSC7	Land at LVS Hassocks, London Road, Sayers Common	200
Total		5,393

88. The draft District Plan includes the following smaller site allocations, which have been proposed for allocation following positive performance against the Site Selection Methodology and Sustainability Appraisal.

Housing Site Allocations		
Policy Ref	Site	Yield to 2040
DPA1	Batchellor's Farm, Keymer Road, Burgess Hill	33
DPA2	Land south of Apple Tree Close, Janes Lane, Burgess Hill	25
DPA3	Burgess Hill Station	300
DPA4	Land of West Hoathly Road, East Grinstead	45
DPA5	Land at Hurstwood Lane, Haywards Heath	36
DPA6	Land at junction of Hurstwood Lane and Colwell Lane, Haywards Heath	30
DPA7	Land east of Borde Hill Lane, Haywards Heath	60

DPA8	Orchards Shopping Centre, Haywards Heath	100
DPA9	Land to west of Turners Hill Road, Crawley Down	350
DPA10	Hurst Farm, Turners Hill Road, Crawley Down	37
DPA11	Land rear of 2 Hurst Road, Hassocks	25
DPA12	Land west of Kemps, Hurstpierpoint	90
DPA13	The Paddocks, Lewes Road, Ashurst Wood	8
DPA14	Land at Foxhole Farm, Bolney	200
DPA15	Ham Lane Farm House, Ham Lane, Scaynes Hill	30
DPA16	Land at Ansty Fields and rear of Challoners, Ansty	30
DPA17	Land to the west of Marwick Close, Bolney Road. Ansty	40
Total		1,439

Additional Supply from Brownfield and Windfall sites

89. To ensure development on Brownfield (i.e. previously developed) sites is maximised, the Council commissioned an Urban Capacity Study (UCS).
90. As a predominantly rural district (less than 12% is within a defined built-up area) opportunities for brownfield development are limited. The UCS combined desktop and on-site analysis to identify potential brownfield sites that could feasibly be developed within the plan period, thereby contributing towards the district's housing need. The UCS recognises that there are often feasibility issues, neighbouring uses to consider, and that development of brownfield sites are often challenging in viability terms due to existing land values and site clear-up costs.
91. Alongside brownfield development, National Planning Policy allows for a windfall allowance to be included based on evidence. Windfall is defined as growth from sites not specifically defined within the plan, usually on small sites.
92. The NPPF states that local authorities should only include a windfall allowance where they have compelling evidence that windfall sites will provide a reliable source of supply. As a result of the UCS work on brownfield potential and windfall, the submission draft includes a Brownfield/Windfall allowance of 1,768.
93. Further details are set out in the Housing Supply and Trajectory Topic Paper.

Housing Supply – Total

94. As a result of the above considerations, Policy **DPH1: Housing** within the submission draft District Plan sets out the housing need and planned supply.

Sustainable Communities Sites DPSC1 – DPSC7	5,393
Housing Sites DPA1 – DPA17	1,439

Windfall/Brownfield Allowance	1,768
Total Housing Supply 2021 – 2039	8,600
Residual “To Find” in District Plan 2021 - 2039	7,558
Total Over-Supply for resilience and Unmet Need	+1,042

95. As a result of the assessment of suitable and deliverable sites within the district, the consideration of in-combination effects through evidence base studies such as the Transport Study and Sustainability Appraisal, the total supply for the district is proposed as 8,600. This would lead to an over-supply of 1,042 dwellings for resilience and unmet need.

Over Supply for Resilience

96. The Council is confident that the over-supply is sufficient. It represents an over-supply of 13% compared to the residual figure for the submission draft District Plan to meet.
97. There is no requirement in national policy to include an over-supply for resilience or non-delivery. As described in the Housing Supply Topic Paper, a non-implementation rate of 40% is already applied to small sites of 1-5 units – this is because monitoring shows around 40% of small sites permissions are not implemented. The ‘Commitments’ element of DPH1 factors this in. Monitoring of larger sites is undertaken on a site-by-site basis and the housing trajectory is amended to reflect this. Whilst the timescale of delivery may change there isn’t evidence that permissions on larger sites lapse to the same extent as on small sites to warrant a non-implementation rate being added.
98. The Council notes the NPPF (September 2023) mentions buffers at paragraph 74:
- The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:
- a) 5% to ensure choice and competition in the market for land; or
 - b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
 - c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply
99. Paragraph 74 is clear that the buffers referred to are to be used in the calculation of the authority’s five-year housing land supply, effectively moving supply forward in the plan period. The buffers are not a measure or requirement for an authority to provide any over-supply against the established housing requirement. Note that the December 2023 version of the NPPF removes mention of buffers within the five-year supply calculation. The over-supply of 1,042 is therefore not to be considered an over-supply for non-implementation or lapsing permissions.
100. Whilst the Council is confident it will submit a sound and legally compliant plan for examination, it is cognisant that changes can occur during the examination process. For example, site yields may be reduced or removed altogether by the Inspector when drawing their conclusions. The over-supply of 1,042 therefore provides resilience to ensure that the overall housing need would still be met in this circumstance.

Unmet Need

101. Any provision over and above meeting Mid Sussex housing need serves as a contribution towards unmet need. In accordance with the agreed priority order set out in Statements of Common Ground with the Northern West Sussex HMA authorities, this is prioritised for the Northern West Sussex HMA.
102. At the time of writing, this would be a contribution towards an unmet need in NWS totalling 9,882. The total unmet need and amount of contribution will be confirmed as the three authorities proceed through examination. There would still be unmet need remaining within this HMA, therefore Mid Sussex does not have the ability to contribute towards other neighbours or housing market area groupings such as the Coast.
103. This position has been reached as a result of a robust and transparent analysis of sites, with the conclusions of site suitability and deliverability directly informing strategy options and maximum potential from allocations. As set out above, this is recorded in the Site Selection Conclusions paper and the Sustainability Appraisal.

Conclusion

- **The district's housing need is confirmed as 1,039 dwellings per annum, as determined by the standard methodology in accordance with national policy and guidance (as at 1st April 2024). There are no exceptional circumstances that justify deviation from this figure.**
- **Once accounting for completions and commitments, the District Plan needs to identify a minimum 7,558 dwellings to meet Mid Sussex housing need.**
- **The Council has a robust and evidence-led Site Selection process which has identified the most suitable sites for allocation based on national policy.**
- **The Sustainability Appraisal has appraised reasonable alternative options for the Spatial Strategy. This has taken into account:**
 - **The conclusions of the site selection process i.e. the 'pool' of suitable sites for allocation**
 - **Whether each strategy option is deliverable as a result of the above**
- **The Sustainability Appraisal concludes that there is only one potential spatial strategy option that would lead to Mid Sussex housing need being met in full.**
- **As a result of this, the sites that are both suitable and in accordance with the strategy lead to a total supply of 8,600 dwellings. This is an over-supply of 1,042 dwellings.**
- **The NPPF requires local authorities to account for unmet need arising in neighbouring areas when determining the housing requirement figure.**
- **Any supply above meeting Mid Sussex housing need can be a contribution towards unmet need arising in neighbouring authority areas. The priority is the Council's primary Housing Market Area (Northern West Sussex HMA) and this approach is agreed within a Statement of Common Ground as required by the NPPF.**