

Consideration of Options

**In Respect of Progressing Residential Development of
Land known as St Martin Close (East), Handcross**

Prepared for
Slaugham Parish Council

Prepared by
Dale Mayhew BA (Hons) BTP MRTPI

March 2021

Version - FINAL

Contents

Page

1.	Introduction	1
2.	Site and Surroundings	1
3.	Town Planning System	1
4.	Mid Sussex District Plan	2
5.	Slaugham Neighbourhood Plan	2
6.	Mid Sussex District Site Allocations DPD	4
7.	Options for Progressing Residential Development of St Martin Close (East)	5
8.	Considerations	12
9.	Summary	14

Appendices

Appendix 1	Extracts of Chapter 6 of the Neighbourhood Plan
Appendix 2	Extract of Policy SA27 of the emerging Mid Sussex Site Allocations DPD

1. INTRODUCTION

- 1.1. This document sets out considerations of options for progressing residential development of land known as St Martin Close (East), Handcross (the 'site'). The site is within the ownership of Slaugham Parish Council (the 'Parish Council'), and is allocated within the 'made' Slaugham Neighbourhood Plan for development of up to 30 residential units.
- 1.2. The Parish Council have instructed DOWSETTMAYHEW Planning Partnership to advise on options for progressing the delivery of residential development of the site in accordance with the terms of the allocation.
- 1.3. This report summarises the planning status of the site, its context within the 'Development Plan' and wider town planning system, and identifies seven broad options to facilitate progressing the delivery of housing on the site. This comprises an overview of the key elements of each option and its associated merits and demerits.
- 1.4. The purpose of the report is to support the Parish Council reaching an informed decision on the preferred way forward.
- 1.5. This report does not provide valuation or financial advice on the options, nor on the obligations of the Parish Council in performing their statutory functions and/or regulatory requirements, including in relation to the disposal of assets.

2. SITE AND SURROUNDINGS

- 2.1. The site is located on the southwestern edge of Handcross. It is bordered to the east by St Martin Close, to the north by residential properties in West Park Road, and to the south and west by undeveloped land.
- 2.2. The western and southern boundaries of the site are defined by mature trees and hedgerows, with domestic hedgerow and boundary fencing delineating the northern boundary. The eastern boundary is open to the grassed amenity land adjoining St Martin Close. The site is predominantly grassland, with some self-seeded bushes and trees.
- 2.3. The residential properties that border the site are typically two-storey, semi-detached and terraced properties, constructed in brick, with some tile hanging in particular at first floor, under plain tile roofs.

3. TOWN PLANNING SYSTEM

- 3.1. The town planning system is primarily 'plan-led.' Planning law requires that planning applications are determined in accordance with the 'Development Plan' unless 'other material considerations indicate otherwise.'¹

¹ Section 38(6) of the Planning and Compulsory Purchase Act 2004 and Section 70(2) of the Town and Country Planning Act 1990

- 3.2. The key Development Plan documents in relation to the site, for the purposes of residential development are the Mid Sussex District Plan 2014-2031 (adopted March 2018) and the Slaugham Neighbourhood Plan 2014-2031 (made September 2019).
- 3.3. The District Council are currently preparing a 'Site Allocations' Development Plan Document, which, once adopted, will also comprise part of the Development Plan.

4. MID SUSSEX DISTRICT PLAN

- 4.1. The Mid Sussex District Plan 2014-2031 (MSDP) was adopted in March 2018, and seeks to guide development in the district up to 2031.
- 4.2. Policy DP4 of the Plan relates to housing and states that the MSDP seeks to facilitate the delivery of an average of 876 dwellings per annum (DPA) up until 2023/2024; and thereafter an average of 1,090 DPA between 2024-2025 and 2030-2031, subject to there being no harm to the integrity of the European Habitats Sites in the Ashdown Forest. The MSDP notes that many of the required dwellings have already been the subject of completion in the early part of the Plan period, are the subject of 'commitment' on sites which benefit from planning permission, are the subject of allocation within the MSDP or Neighbourhood Plans, or may be the subject of 'windfall' development. The MSDP notes that, as at 2018, within the district a further 2,439 dwellings over the Plan period will be delivered "*as allocated through future Neighbourhood Plans and the Site Allocations document*".
- 4.3. The MSDP notes that to facilitate this, Mid Sussex District Council commits to commencing preparation of a Site Allocations Development Plan Document to identify further sites which have the capacity of 5 or more residential units.
- 4.4. Policy DP31 of the MSDP relates to affordable housing. It states that the Council will seek the provision of a minimum of 30% onsite affordable housing for all residential developments providing 11 dwellings or more, or a maximum combined gross floorspace of more than 1,000m². It also notes that the Council will seek a mix of tenure of affordable housing, normally approximately 75% social or affordable rented homes, with the remaining 25% for intermediate homes, unless the best available evidence supports a different mix. It seeks for free-serviced land to be provided for the affordable housing and for this to be integrated with the market housing and meet technical national standards for space, etc.

5. SLAUGHAM NEIGHBOURHOOD PLAN

- 5.1. The Slaugham Neighbourhood Plan (SNP) was 'made' in September 2019 and covers the Plan period 2014-2031. It seeks to provide a framework for the future development of the parish, including the villages and settlements of Handcross, Pease Pottage, Warninglid and Slaugham, and their rural hinterland.
- 5.2. The vision for the parish as set out in the SNP is for it to remain a beautiful part of the High Weald Area of Outstanding Natural Beauty (AONB), providing a pleasant and attractive area to live in and to visit, with its population having grown sustainably, focussed in two of its four distinct villages.

- 5.3. It seeks for residential development over the Plan period to significantly reduce local housing need for affordable housing and meet local demand for homes suited to older people and young families, and for the demand of local people to stay in the parish to have been met.
- 5.4. It seeks for the design of new buildings to meet the challenge of low carbon regulations, whilst being in keeping with the High Weald AONB, and for traffic calming measures to have addressed the impact of speed within the villages and enabling residents to move around safely and enjoyably on foot and bicycle as well as in cars. ²
- 5.5. Chapter 6 of the SNP relates to housing. It notes that the policies of the Plan seek:
- To ensure a supply of homes consistent with identified local housing need, including homes suitable for an ageing population and those for younger people, comprising singles, couples, and families; and
 - To ensure that new homes are energy efficient and are built to a high standard of design at a suitable density, using local materials.
- 5.6. The SNP notes that, having regard to the national and local planning policy background, together with public feedback received during the Neighbourhood Plan making process, the Parish Council “*resolved to make housing allocation provision for further, modest housing growth in the parish over the Plan period,*” ³ and that this should be directed to St Martin Close in Handcross.
- 5.7. Policy 9 of the SNP allocates St Martin Close (East) for residential development.
- 5.8. The supporting text ⁴ summarises the character of the site and its surroundings. It notes the land is considered suitable for development in the early part of the Plan period (2017-2022) and that it could accommodate up to 30 residential units which would positively contribute towards housing need. It notes that the scheme should provide an appropriate mix of housing, to include affordable housing in line with local planning policy.
- 5.9. It seeks for the design to reflect the surrounding character of the area, retain the existing tree belt on the western and southern boundary, and reinforce the boundary to the countryside. It states that access should be gained via St Martin Close, with the scheme also providing future vehicular and pedestrian access to the adjoining land to the west.
- 5.10. Policy 10 of the Neighbourhood Plan allocates St Martin Close (West) for residential development. This adjoins the land allocated for development in Policy 9.

² See Vision in the Slaugham Neighbourhood Plan

³ Paragraph 6.15 of the Slaugham Neighbourhood Plan

⁴ Paragraph 6.17 - 6.22 of the Slaugham Neighbourhood Plan

- 5.11. The supporting text to this policy⁵ sets out that the land is allocated for development when ‘needed,’ but that the trigger point for this was not possible to identify definitively at the time the Plan was made. The SNP notes that it would therefore be considered in the earliest event of *“the review of the Neighbourhood Plan itself; the adoption of the emerging Mid Sussex Allocations DPD; the adoption of any review of the MSDP; and a material delay in delivery of the Pease Pottage strategic delivery site in the adopted MSDP.”*⁶
- 5.12. Policy 10 states that the land is suitable for the development of up to 35 dwellings subject to a number of criteria. This includes (Policy 10(5)) that access should be provided via St Martin Close (East).
- 5.13. Extracts of Chapter 6 of the Neighbourhood Plan in relation to the allocation of land at St Martin Close (East) and St Martin Close (West) is attached at Appendix 1.

6. MID SUSSEX DISTRICT SITE ALLOCATIONS DPD

- 6.1. Mid Sussex District Council are currently preparing a Site Allocations Development Plan Document (SADPD). This seeks to identify sufficient housing sites to provide a 5 year housing land supply to 2031, against housing requirements. The SADPD was submitted to the Government for Examination in December 2020, and will be the subject of public hearings ahead of its adoption, when it will become part of the ‘Development Plan’ for the area.
- 6.2. The SADPD⁷ seeks to *“allocate sufficient housing sites to address the residual necessary to meet the identified housing requirements of the district up to 2031 in accordance with the spatial strategy set out in the District Plan.”*⁸
- 6.3. Policy SA10: Housing sets out that there is a ‘residual housing requirement’ of 1,280 dwellings.
- 6.4. Policy SA11 seeks to make allocations for 1,764 dwellings (i.e. an oversupply of 484 dwellings over the Plan period). This includes ‘land at St Martin Close (West)’ which is identified as Policy SA27 for the delivery of 35 dwellings.⁹
- 6.5. It notes that the *“policy allocates St Martin Close (West) for development for housing and open space, subject to phasing as set out in the Neighbourhood Plan, i.e. to come forward later within the Plan period following the delivery of St Martin Close (East).”*¹⁰ It seeks for the scheme to ensure a high quality, landscape-led and coherent sustainable extension to Handcross which includes integrated open space and access arrangements with that of St Martin Close (East).

⁵ Paragraph 6.23 - 6.33 of the Slaugham Neighbourhood Plan

⁶ Paragraph 6.29 of the Slaugham Neighbourhood Plan

⁷ Regulation 19 Submission Draft of the Plan July 2020

⁸ See Executive Summary of the Regulation 19 Submission Draft Site Allocations DPD

⁹ In addition to the land allocated at St Martin Close (East) for 30 dwellings

¹⁰ See ‘objectives’ of Policy SA27

- 6.6. It notes that “access from Coos Lane is not acceptable for highway and landscape reasons.”¹¹ It seeks for the scheme to retain and enhance mature trees and planting along the boundaries of the site, incorporating these into the landscape structure and green infrastructure provision of the development to minimise impact on the wider countryside.
- 6.7. Policy SA27 of the SADPD is attached at Appendix 2.

7. OPTIONS FOR PROGRESSING RESIDENTIAL DEVELOPMENT OF ST MARTIN CLOSE (EAST)

- 7.1. Within the SNP, St Martin Close (East) is allocated for residential development of up to 30 dwellings, and St Martin Close (West) is allocated as a ‘reserve’ housing site for up to 35 dwellings. The latter is to be released subject to a ‘trigger’ event. This includes allocation of the site within the emerging Mid Sussex District ‘Site Allocations’ DPD.
- 7.2. Policy SA27 of the SADPD, states that the site should come forward following the delivery of St Martin Close (East), with access to both via an integrated access arrangement from St Martin Close, rather than Coos Lane.
- 7.3. Having regard to the above, it is likely that the District Council (together with adjoining landowner and their representatives) would seek to encourage progress of the delivery of St Martin Close (East) for housing.
- 7.4. Prior to any works commencing, the site would need to be the subject of planning permission, either via a ‘full’ planning permission, or via an initial ‘outline’ planning permission, followed by a ‘Reserved Matters’ consent. The latter would then address specific details not resolved at an outline stage.
- 7.5. Such a planning permission could be progressed by the Parish Council, or an alternative third party. Whilst such a third party would not need to be in ownership of the site to submit a planning application, they would typically seek to either acquire, or have the right to acquire, ownership interest, ahead of committing to the expense of pursuing planning permission.
- 7.6. There are a number of options for progressing residential development of the site. These are, in turn, linked to the potential disposal of the site by the Parish Council. The latter could occur at a number of points during the process of securing planning permission and/or delivering residential development on the site.
- 7.7. This report identifies seven broad options for progressing residential development. These range from immediate disposal of the site with the benefit of the allocation within the Neighbourhood Plan, through to options for the Parish Council to pursue a planning application, and/or retain involvement beyond that, in the delivery of the development.

¹¹ See ‘highways and access’ of Policy SA27

7.8. The options are set out under the following headings:

- Option 1 - Immediate disposal;
- Option 2 - Immediate disposal subject to 'Overage Clause';
- Option 3 - Disposal, conditional upon third party securing planning permission;
- Option 4 - Option Agreement with third party;
- Option 5 - Promotion Agreement with third party;
- Option 6 - Parish Council pursuit of planning permission; or
- Option 7 - Joint venture with third party.

7.9. An overview of the key elements of each option is identified below, together with the associated and comparative merits and demerits.

Option 1 - Land Disposal

7.10. Option 1 would comprise the sale of the land to a third party ahead of seeking planning permission for redevelopment of the site. It is assumed it would be the subject of a marketing exercise with the intent to secure maximum value, reliant upon the benefit of the allocation of the site for residential development within the SNP (Policy 9).

7.11. The allocation provides some assurance to a prospective purchaser of the likelihood of securing planning permission for development. However, the allocation does not provide absolute certainty, as there may be, as yet unknown, impediments to the grant of planning permission.

7.12. Prospective purchasers would therefore be likely to reduce their valuation of the site compared to a number of other Options, to reflect the uncertainty and risk of the site not currently benefitting from planning permission.

Merit:

- Minimise time input by Parish Council;
- Minimise costs of Parish Council;
- Secure sale receipts at the earliest opportunity;

Demerit:

- Uncertainties arising from absence of planning permission likely to reduce land disposal value;
- Absence of Parish Council control over scheme design;

- Absence of Parish Council control of delivery, including for example with respect to quantum and form of affordable housing.

Option 2 - Immediate Disposal but subject to 'Overage Clause'

- 7.13. Option 2 would be similar to Option 1, with disposal of the land occurring at an early stage, ahead of seeking planning permission for development.
- 7.14. The key difference would be the inclusion of an Overage Clause within any sale contract. This would require the purchaser (or their successors in title) to make additional payments to the Parish Council over and above the initial disposal value of the site, in the event of development achieving a greater amount or value, set against defined benchmarks,
- 7.15. The Overage Clause might be 'triggered' in the event of planning permission being secured for more than 30 dwellings; in excess of a specified gross floor area; achieving dwelling sale receipts over a specified gross development value; or an increase in the percentage of open market housing compared to Development Plan policy.
- 7.16. These terms would be set out in an Overage Clause within the contract of sale.
- 7.17. The terms of the Overage would normally be detailed such that any uplift in value beyond the 'trigger' would be shared with the developer. This avoids disincentivising the developer from pursuing a development that would deliver an uplift in value.

Merit:

- Minimise time input by Parish Council;
- Minimise costs of Parish Council (though likely to be modestly greater than Option 1);
- Secure sale receipts at the earliest opportunity;
- Benefit of securing a share of uplift in value, were this to be subsequently secured by purchaser.

Demerit:

- Uncertainties arising from absence of planning permission likely to reduce (initial) land disposal value;
- Absence of Parish Council control over scheme design;
- Absence of Parish Council control of delivery, including for example with respect to quantum and form of affordable housing.
- Some increased complexity of disposal of property compared to Option 1.

Option 3 - Disposal, Conditional upon Third Party Securing Planning Permission

- 7.18. Option 3 would be similar to Option 1 and 2, with the property marketed for disposal at an early stage, ahead of seeking planning permission for redevelopment.
- 7.19. However, the contract of sale would be conditional upon the grant of planning permission for the development.
- 7.20. The pursuit of obtaining the planning permission would be undertaken by the third party, at their own cost and risk.
- 7.21. The terms of the sale would typically agree a fixed purchase price for the site, together with an agreed timescale for the third party to seek to obtain the planning permission. The obligation to purchase at the agreed price would be conditional upon the grant of planning permission.
- 7.22. This option would be likely to secure higher land disposal value than Option 1 as it would be conditional on the securing of planning permission, thereby mitigating the risk to the purchaser. However, as the price would be fixed prior to pursuit of planning permission, the third party would need to make a number of assumption about the likely terms (eg quantum) of the planning permission, thus potentially resulting in lower revenues than might arise under Option 2 (were this to result in 'Overage' payments).

Merit:

- Minimise time input by Parish Council;
- Reduced uncertainty arising from absence of planning permission in relation to Option 1, thereby likely to secure greater land disposal value, though potentially less than Option 2.
- Costs of planning application process borne by third party at their own risk.

Demerit:

- Fixing of sale price at an early stage, likely to lead to lower price in comparison to most other options;
- Delayed receipt of sale proceeds in relation to Option 1 and 2;
- Parish Council would retain ownership of site during application process but may have little influence over scheme design or control of delivery, including for example with respect to quantum and form of affordable housing;

Option 4 - Option Agreement with Third Party

- 7.23. Option 4 would comprise entering into an agreement with a third party, which would set out the terms for their 'option' to purchase the site. This would normally be an 'option' for the right to acquire the site against a set of pre-agreed terms. The 'trigger' of the option would normally be the grant of planning permission for the development of the site.

- 7.24. The pursuit of obtaining the planning permission would be undertaken by the third party, at their own cost and risk.
- 7.25. Whilst the Parish Council may have some opportunity to influence the terms of such an application, it is likely that the third party would seek considerable flexibility to prepare an application that they considered would have the best prospect of success.
- 7.26. The purchase price of the site by the third party would not normally be fixed in the Option Agreement. Instead, a formula would be fixed for determining the value of the site, following the grant of planning permission, and reflecting the detail of the approved scheme. This would normally include agreement to pay a fixed percentage of the land value. The proportion of this would be determined dependent on the risks and costs borne by the third party in seeking the consent.
- 7.27. Following the grant of planning permission, there can be significant divergence in the opinion of the value of the site between a landowner and the third party seeking to exercise the option (the purchaser seeking to minimise the valuation and the landowner seeking to maximise the valuation).
- 7.28. This can result in complex and litigious negotiation over the land sale price, although some of these risks can be mitigated by the terms of the option agreement (for example minimum base price).
- 7.29. The option agreement would set out the terms of payment by the purchaser to the land owner. Whilst this may be staged, it would predominantly occur after the option has been exercised, (ie after planning permission has been secured). Prior to this, it may be possible to secure a nominal sum from the third party for the right to enter into the agreement with the Parish Council.

Merit:

- Value determined against a specific planning permission, diminishing prospect of discount due to uncertainty of securing planning permission;
- Cost of planning application process borne by third party at their own risk.

Demerit:

- Valuation exercise can lead to litigation;
- Delayed receipt of sale proceeds relative to Option 1 and 2;
- Parish Council would retain ownership of site during application process but may have little influence over scheme design or control of delivery, including for example with respect to quantum and form of affordable housing.

Option 5 - Promotion Agreement with Third Party

- 7.30. Option 5 would be similar to Option 4, with the land sale subject to Agreement with a third party dependent upon a 'trigger' event, typically the grant of planning permission.
- 7.31. The pursuit of planning permission would be undertaken by the third party, at their own cost and risk.
- 7.32. As with Option 4, whilst the Parish Council may have some opportunity to influence the terms of such an application, it is likely that the third party would seek considerable flexibility to prepare an application that they considered would have the best prospect of success.
- 7.33. The key difference between Option 4 and 5, is the third party would not able to exercise an 'option' to purchase the site upon securing planning permission; but instead, the third party would be able to exercise an option for the land to be sold on the open market with the benefit of planning permission, to an alternative third party to implement the approved development.
- 7.34. The purchase price for the land would therefore be determined by an open market exercise.
- 7.35. The Promotion Agreement would detail the subsequent share of the sale proceeds between the land owner and the third party. This proportionate split would be likely to be similar to that arising under Option 4.
- 7.36. Option 5 typically results in a closer alignment of interests between the Parish Council and third party, compared to Option 4 (i.e. both seek maximum value for the land at the point of disposal). This reduces the risk of litigation between the land owner and the third party.

Merit:

- Value determined against a specific planning permission and through an open market exercise, diminishing prospect of discount due to uncertainty of securing planning permission;
- Cost of planning application process borne by third party at their own risk;
- Interests of Parish Council and third party more closely aligned through to disposal of the site, minimising risk of litigation;

Demerit:

- Delayed receipt of sale proceeds relative to Option 1 and 2;
- Parish Council would retain ownership of site during application process but may have little influence over scheme design or control of delivery, including for example with respect to quantum and form of affordable housing.

Option 6 - Parish Council pursuit of an Planning Permission

- 7.37. Option 6 would comprise the Parish Council retaining full and sole control over the preparation, submission and negotiation of a planning application for residential development of the site.
- 7.38. This would include in respect of matters such as design and details of affordable housing, etc.
- 7.39. The Parish Council would be responsible for the application, including the associated costs, at their own risk.
- 7.40. At the point of securing planning permission, the Parish Council could seek disposal of the site or elect to pursue delivery of the scheme (such as under a joint venture arrangement (Option7)).
- 7.41. In event of disposal, it is likely that the sale revenues to the Parish Council would be greater than Options 1-5.

Merit:

- Sale receipts likely to be greater than Options 1-5;
- Parish Council control application process in relation to design and details such as quantum/ tenure of Affordable Housing;

Demerit:

- Cost of planning application borne by Parish Council, at their own risk;
- Delayed receipt of sale proceeds relative to Option 1 and 2.

Option 7 - Joint Venture with Third Party

- 7.42. Option 7 would entail an agreement between the Parish Council as land-owner and a third party who would ultimately seek to deliver the construction of the scheme.
- 7.43. The Parish Council could seek to enter into a Joint Venture Agreement prior to the pursuit of planning permission, or following the securing of planning permission, but prior to commencement of development on site.
- 7.44. Subject to the above, the costs of the planning application, would be borne by the Parish Council, shared between the Parish Council and the third party, or borne by the third party.
- 7.45. The Parish Council would be likely to be able to exercise greater control over the preparation, submission and negotiation of a planning application for residential development of the site, compared to Options 1-5. This would include in respect of matters such as design and details of affordable housing, etc.
- 7.46. This Option would involve a closer working relationship with a third party than other options, including Options 4 and 5.

- 7.47. This would continue throughout the build phase. As such, it carries greater complexity and risk in comparison to other options. This could arise, for example in the event of a default in the performance of the third party.
- 7.48. Under this option, sale proceeds would arise at the point of sale of the completed dwellings. The distribution of this would be based on a proportionate/ timing formula agreed between the Parish Council and third party.
- 7.49. The Parish Council's receipt of sales revenue would occur later than other options. However, it would be likely to generate greater total value compared to other options, subject to no abnormal construction costs.

Merit:

- Sale receipts likely to be greater than Options 1-6 (subject to no abnormal construction costs);
- Parish Council able to exert greater control over application process in relation to design and details such as Affordable Housing;
- Potential to share application costs with third party;

Demerit:

- Delayed receipt of sale proceeds;
- Complex contract with Third Party;
- Risks associated with the default in performance of third party.

8. CONSIDERATIONS

- 8.1. The identified Options for progressing the residential development of St Martin Close (east) carry differing merits and demerits.
- 8.2. Options 1 (Immediate Disposal), 2 (Immediate Disposal subject to an Overage Clause) and 3 (Disposal Conditional upon Third Party Securing Planning Permission) present the simplest mechanism for the Parish Council to progress development of the site.
- 8.3. Options 1 and 2 would entail disposal of the site in the short term.
- 8.4. In respect of total sale receipts, Option 2 presents the advantage of including the potential to secure subsequent additional payments to the Parish Council, in the event of an enhanced value of development.
- 8.5. Under Option 3 the sale of the property would be conditional upon a third party securing planning permission, but the terms for this would be fixed and agreed at an early stage.

- 8.6. Option 4 (Option Agreement) and 5 (Promotion Agreement) are comparable in respect of the process and involvement of the Parish Council.
- 8.7. They would defer responsibility for the preparation and pursuit of planning permission to a third party.
- 8.8. The principle difference between these 2 options would arise at the point planning permission is granted, triggering the mechanism for sale of the site by the Parish Council. A Promotion Agreement would normally more closely align the interests of the land owner to the third party, and therefore reduce the risk of dispute and litigation.
- 8.9. Option 6 (Parish Council Pursuit of Planning Permission) would comprise the Parish Council pursuing planning permission for the site, enabling control to continue to be exercised over the terms of an application for the development.
- 8.10. Option 7 (Joint Venture) would enable the Parish Council to retain involvement in the site following the grant of planning permission and through the build phase.
- 8.11. The appropriate option to pursue is a matter of judgement for the Parish Council.
- 8.12. In broad terms, the the level of involvement the Parish Council retain in the progression of the residential development of the site, will affect (i) the control that can be exercised over the detail of the scheme (eg design and tenure etc), (ii) the risk that will be borne (such as costs and complexities in securing consent/ implementing the scheme); and (iii) the sale revenue that is achievable.
- 8.13. Options 1 and 3 present less control; less risk; and likely lower revenue, than in comparison to the other Options.
- 8.14. Option 3, 4 and 5, defer the risk of securing planning permission to a third party, but sale of the land occurs only once consent is secured.
- 8.15. Under Options 4 and 5 the determination of the land value occurs only once consent is granted and the terms of the planning permission are used to derive a site value. This increases the prospect of higher sale revenue, but the level of control that can exercised over design/ tenure etc is likely to be modest.
- 8.16. Options 6 and 7 provide the the Parish Council with the greatest opportunity to exert control and influence over the detail of the scheme. However, retaining such control is likely to result in greater risk (including costs). This may result in higher revenue to the Parish Council, albeit the receipt of such payments, in particular under Option 7 would arise later than other Options.

9. SUMMARY

- 9.1. There are a number of options for facilitating progress of residential development of the site, known as St Martin Close (East), following its allocation for development of up to 30 dwellings in the SNP.
- 9.2. They range from an early disposal of the site, with the benefit of the site allocation, but without planning permission, through to the obtaining of planning permission and disposal, or continued involvement in the scheme implementation.
- 9.3. Each option carries differing merits and demerits. In broad terms the less involvement of the Parish Council, the less risk, but potentially the lower financial revenues that may be generated. Conversely, the greater the involvement retained by the Parish Council, the greater the risk, but also the greater the potential financial revenues that may be generated from the site for the Parish Council.
- 9.4. The preferred way forward is a matter of judgment for the Parish Council having regard to the merits and demerits identified in this report, and having regard to its statutory and regulatory functions and obligations.
- 9.5. It is therefore recommended that having regard to all relevant considerations, the Parish Council identify one, (or more) preferred options. This can then be the subject of further detailed consideration, ahead of progressing the development of the site.

APPENDIX 1

EXTRACTS OF CHAPTER 6

OF THE NEIGHBOURHOOD PLAN

Slaugham Neighbourhood Plan 2014 - 2031



**Made Plan
September 2019**

6. HOUSING

6.1. This section seeks to address the following Strategic Objectives:

- 1. To ensure a supply of homes consistent with identified local housing need, including homes suitable for an ageing population and those for younger people, comprising singles, couples and families.**
- 2. To ensure that new homes are energy efficient and are built to a high standard of design at a suitable density, using local materials.**

Housing Need

- 6.2. As an intrinsic part of the preparation of the SNP, detailed consideration has been given to the number of houses that need to be delivered in the Parish over the Plan period 2014 - 2031.
- 6.3. The MSDP which was adopted in March 2018, has established the housing need of the District. MSDC objectively assessed need (OAN) is 14,892 dwellings over the Plan period. Provision is also made for 1,498 dwellings to ensure unmet need is addressed in the Northern West Sussex Housing Market Area. This results in a District Plan minimum housing requirement over the Plan period of 16,390.
- 6.4. The MSDP will facilitate the delivery of an average of 876 dwellings per annum (dpa) until 2023/24; and thereafter, an average of 1,090dpa between 2024/2025 and 2030/2031, subject to there being no further harm to the integrity of European Habitat Sites in the Ashdown Forest.
- 6.5. MSDC has commenced work on the preparation of a Site Allocation DPD to be adopted in 2020. In addition, MSDC will review the MSDP, starting in 2021, with submission to Government in 2023.
- 6.6. Policy DP4 of the MSDP, sets out a spatial distribution of the housing requirement by reference to a settlement. This sets out the minimum housing requirement in each settlement category over the Plan period and the minimum residual from 2017, accounting for completions and commitments.
- 6.7. Policy DP6 of the MSDP identifies Handcross and Pease Pottage as Category 3 settlements. It identifies Slaugham and Warninglid as Category 4 settlements.
- 6.8. Policy DP6 of the MSDP, states outside of defined built-up area boundaries, the expansion of settlements will be supported where:
- The site is allocated in the District Plan, a Neighbourhood Plan or subsequent Development Plan Document, or where the proposed development is for fewer than 10 dwellings; and
 - The site is contiguous with an existing built-up area of the settlement; and
 - The development is demonstrated to be sustainable, including by reference to the settlement hierarchy.

6.9. The supporting text of Policy DP6 provides clarity between the District housing requirement and the role of individual Neighbourhood Plans in meeting this. A table gives guidance on the minimum residual housing requirement within each settlement from 2017 onwards, accounting for commitments and completions.

6.10. An associated footnote confirms:

“The required minimum provision at Pease Pottage (Slaugham Parish) is significantly greater than other settlements within Category 3 due to the allocation and subsequent permission granted for 600 homes within this settlement. Due to this, the other settlements within Slaugham (Handcross, Slaugham and Warninglid) will not be required to identify further growth through the Plan process on top of windfall growth although may wish to do so to boost supply.”

6.11. As part of the preparation of the SNP, and prior to the adoption of the MSDP, SPC undertook a Housing Needs Consideration Assessment in December 2016. This applied different methodologies to calculate housing need, reliant upon data from a variety of sources, including the Office for National Statistics. The Assessment provided a range of housing figures for growth of the Parish over the Plan period. At the lower end of the scale was zero, assuming a static population and static household formation rate, and up to 366 dwellings by extrapolating housing growth figures that occurred within the Parish between 2001 and 2011.

6.12. Noting the results of the Assessment, and the position of the District housing need, which at the time was following an upward trajectory, SPC resolved that the housing need for the Parish over the Plan period is likely to be 270-310 dwellings. Given the existing supply of completions and commitments (970 dwellings as at 31 March 2018) in the Parish, it was concluded that this housing need would be met without further allocations in the SNP.

6.13. Notwithstanding this, SPC resolved to consider whether further, modest growth should be facilitated in the SNP. In doing so, SPC had regard to the pro-growth agenda of the Government as well as the increasing pressure which MSDC were under to meet local housing need requirements.

6.14. In addition, SPC were mindful of MSDC’s commitment to prepare a Site Allocations DPD to be adopted by 2020. The DPD will allocate non-strategic and strategic sites, of any size over 5 dwellings (with no upper limit), in order to meet the remaining housing requirement of the District, as reflected in the stepped trajectory of 876dpa until 2023/2024 and 1090dpa thereafter. MSDC is also required to undertake a planned review of the MSDP in 2021.

6.15. Against this national and local planning policy framework, coupled with public feedback received, SPC have resolved to make housing allocation provision for further, modest housing growth in the Parish over the Plan period.

6.16. Having regard to the relative scale and sustainability of the Parish’s four settlements, the distribution of completed and committed housing growth and the sustainability merits of the sites considered, SPC resolved that further growth should be directed to St. Martin Close, Handcross.

Policy 9: St. Martin Close (east)

- 6.17. Land at St. Martin Close (east) is in close proximity to the existing built-up edge of Handcross. It lies within the High Weald AONB and is informal open space associated with the original development of St. Martin Close. It is bounded by trees and hedges on the southern and western boundary.
- 6.18. Its character is influenced by the adjacent residential development in St. Martin Close, which lies to the north and east of the site. Access to the site is readily available via St. Martin Close which is accessed off West Park Road.
- 6.19. Criterion 4 of Policy 9 requires the provision of open space as part of the development of the site. This should be to the standards in the MSDC Development Infrastructure and Contributions Supplementary Planning Document (SPD) as a minimum. The development of the site brings an opportunity to provide community and social benefits through the provision of revised open spaces facilities in this part of Handcross. The provision of high-quality well-designed open space would be an important element in securing the sustainable development of the site.
- 6.20. The land is considered suitable for development in the early part of the Plan period (2017-2022). It is envisaged a scheme could accommodate up to 30 residential units which would positively contribute towards the Parish's housing need. It is considered a scheme will provide an appropriate mix of housing to include affordable housing in line with local planning policy.
- 6.21. Having regard to the character of the adjacent residential properties, it is envisaged the design will reflect the surrounding character of the area. The retention of the existing tree belt on the western and southern boundary will reinforce the boundary to the countryside. Access to the site would be gained via St. Martin Close.
- 6.22. The Policy also envisages future vehicular and pedestrian access being provided to enable access to land beyond St. Martin Close (east).

Policy 9: St. Martin Close (east)

Development proposals for up to 30 residential units on land at St. Martin Close (east) will be supported where:

- 1. Proposals provide a suitable mix of dwelling type and size to meet the needs of current and future households;**
- 2. The design positively responds to the prevailing character of the surrounding area;**
- 3. Proposals allow for the retention of existing mature trees and hedgerows on the western and southern boundaries;**
- 4. The development provides open space at least to the standards set out in the MSDC Development Infrastructure and Contributions Supplementary Planning Document;**
- 5. Proposals provide suitable access via St. Martin Close and adequate parking arrangements;**
- 6. Proposals enable future vehicular and pedestrian access to St. Martin Close (west);**
- 7. Ensure layout is planned to ensure future access to the existing sewerage infrastructure maintenance and upsizing purposes; and**
- 8. Provide an adequate gap between the pumping station and development to help prevent any unacceptable impact from noise and/or vibration.**

Policy 10: St. Martin Close (west)

- 6.23. Preparation of the SNP commenced at a time when the housing need for the District was still to be determined through the MSDP Examination. The MSDP has since been adopted with the housing requirement set at 16,390dpa over the Plan period.
- 6.24. MSDC has commenced work on the preparation of a Site Allocation DPD to be adopted in 2020. This will identify further sites which have capacity of 5 or more residential units. Furthermore, MSDC will review the MSDP, starting in 2021 with submission to Government in 2023.
- 6.25. National Planning Policy Guidance recommends Neighbourhood Plans should consider “... *allocating reserve sites to ensure that emerging evidence of housing need is addressed.*” Guidance confirms this approach can help minimise potential conflicts and ensure that policies in the Neighbourhood Plan are not overridden by a new Local Plan.
- 6.26. In light of this Government Guidance, and the planned early review of the MSDP, SPC have sought to positively prepare a Neighbourhood Plan which will contribute to the overall housing delivery in the District over the Plan period and seeks to not promote less development than set out in the higher tier plan.
- 6.27. The SNP allocates St. Martin Close (west) as a reserve site to come forward later within the Plan period following the delivery of St. Martin Close (east) if required, to ensure the long-term housing need of the Parish is positively met.

- 6.28. The development of St. Martin Close (east) should plan for future vehicular and pedestrian access to St. Martin Close (west). Following the development of St. Martin Close (east), it is envisaged that development on land to the west can come forward if needed.
- 6.29. The potential trigger point at which the need, or otherwise, for the release of this reserve site will be considered will be an important matter for SPC. At this stage, it is impractical to identify the way in which various processes will unfold over the next few years. These include progress on the Mid Sussex Allocations DPD, the development of St. Martin Close (east) site and wider housing delivery in both the District, and the neighbourhood area. As such, the trigger point for the consideration of the release of the site should be whichever of the following events occurs first – the review of the Neighbourhood Plan itself; the adoption of the emerging Mid Sussex Allocations DPD; the adoption of any review of the MSDP, and a material delay in delivery of the Pease Pottage strategic delivery site in the adopted MSDP. SPC will involve MSDC in this exercise given the overlaps with strategic housing delivery.
- 6.30. The design should respond to the character of the adjacent development at St. Martin (east). Proposals should ensure the retention of existing mature trees and hedgerows on the north west boundary of St. Martin Close (west). For this reason, access to the site should be gained via St. Martin Close (east).
- 6.31. Criterion 3 of Policy 10 requires the provision of open space as part of the development of the site. This should be to the standards in the MSDC Development Infrastructure and Contributions SPD as a minimum.
- 6.32. The development of the site brings an opportunity to provide community and social benefits through the provision of enhanced open spaces facilities in this part of Handcross.
- 6.33. The provision of high-quality well-designed open space would be an important element in securing the sustainable development of the site. In the event that both St. Martin Close (east) and St. Martin Close (west) are developed for housing purposes and that some, or all, of that open space is provided on site, there would be an opportunity for the open spaces on the two sites to be provided on adjacent parcels of land and to a complementary design and layout. There may also be the opportunity to consolidate the provision of open space on St. Martin Close (west) with the existing open space off West Park Road. These options would enhance the usability of the spaces and may assist with maintenance costs and liabilities.

Policy 10: St. Martin Close (west)

Land at St. Martin Close (west), Handcross is identified at the relevant trigger point in Paragraph 6.29 of this Plan, development proposals for up to 35 houses will be supported subject to the following criteria:

- 1. Proposals provide a suitable mix of dwelling type and size to meet the needs of current and future households;**
- 2. The design positively responds to the prevailing character of the adjacent residential development;**
- 3. The development provides open space at least to the standards set out in the MSDC Development Infrastructure and Contributions Supplementary Planning Document;**
- 4. Proposals allow for the retention of existing mature trees and hedgerows on the northern, southern and western boundaries;**
- 5. Proposals provide access via St.Martin Close (east); and**
- 6. Proposals provide suitable parking arrangements.**

Residential Development Within and Adjoining Settlement Boundaries

6.34. Since the start of the Plan period, the Parish has had a strong record of windfall development.

6.35. The NPPF confirms small and medium sized sites can make an important contribution to meeting the housing requirement of an area, and are often built-out relatively quickly. Furthermore, it states: *“to promote the development of a good mix of sites, local planning authorities should support the development of windfall sites through their policies and decisions - giving great weight to the benefits of using suitable sites within existing settlements for homes.”*⁸

6.36. Policy DP6 of the MSDP supports the expansion of settlements outside of built-up area boundaries where the development is allocated in a Development Document, or where the proposed development is for fewer than 10 dwellings; and the site is contiguous with an existing built-up area of the settlement; and it is demonstrated to be sustainable, including by reference to the settlement hierarchy. The three built-up areas are shown on the MSDP Policies Map - Pease Pottage (18a), Handcross (18b) and Warninglid (18d).

6.37. Against this national and local planning policy backdrop, SPC wish to continue to support windfall development which comes forward within the built-up areas of Handcross, Pease Pottage and Warninglid; and where proposals are in line with DP6: Settlement Hierarchy. Development proposals within the three built-up areas will be assessed and determined against national policy and Policy DP6 of the MSDP.

⁸ Paragraph 68 of the NPPF, February 2019

10. PROPOSALS MAP

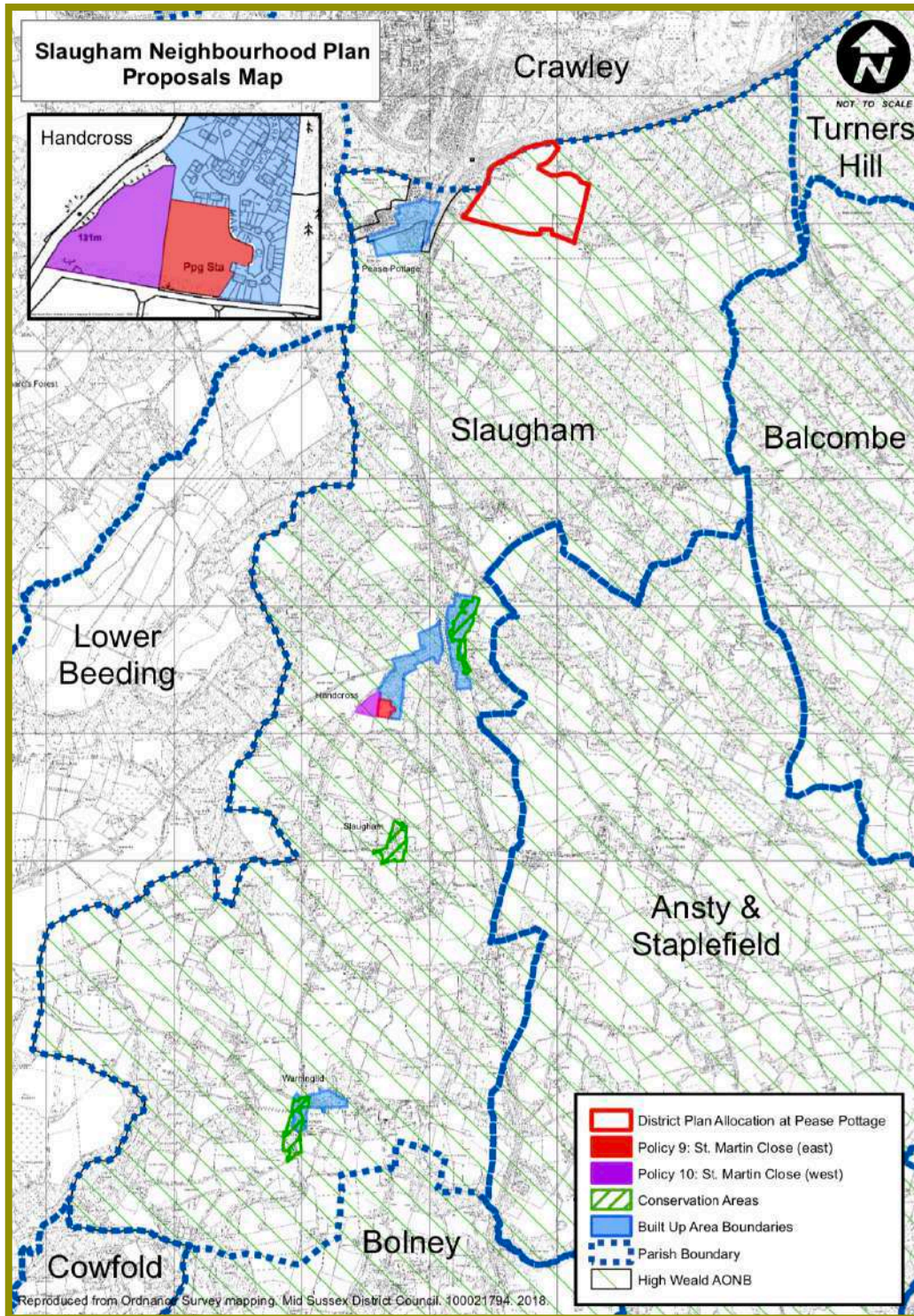
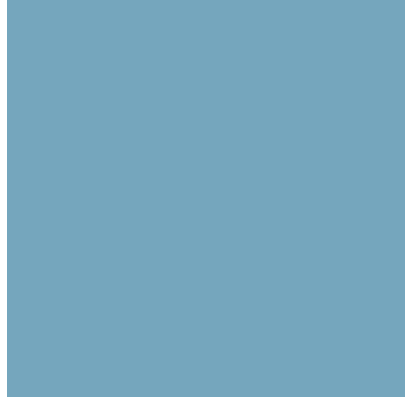


Figure 10: Proposals Map

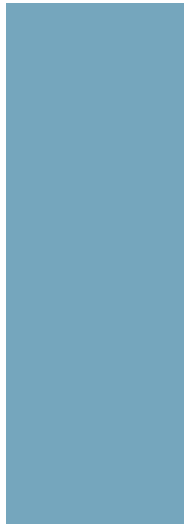
APPENDIX 2

EXTRACT OF POLICY SA27 OF THE EMERGING MID SUSSEX SITE ALLOCATIONS DPD

Mid Sussex District Council



Site Allocations Development Plan Document



July 2020



Regulation 19
Submission Draft

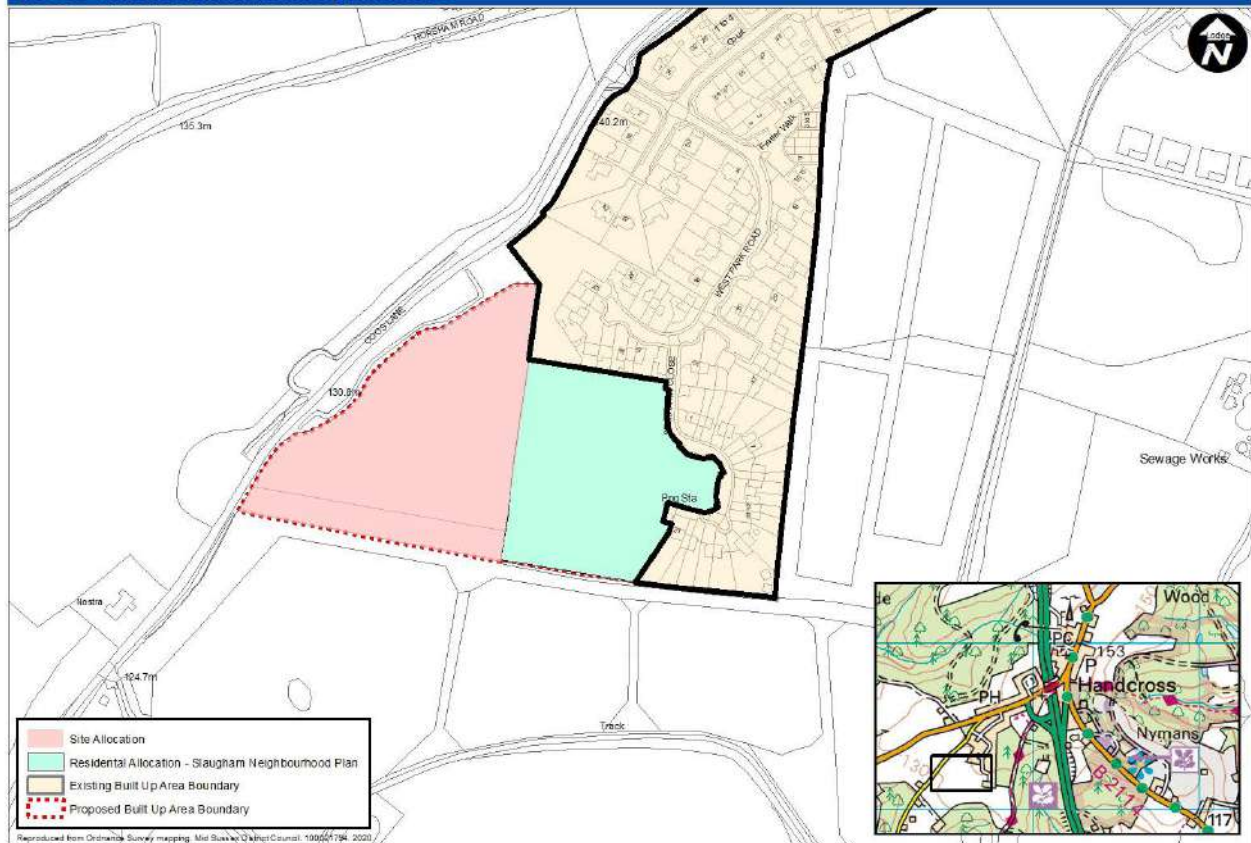


SA 27

Land at St. Martin Close, Handcross

SHELAA:	127	Settlement:	Handcross
Gross Site Area (ha):	1.9	Number of Units:	35 dwellings at St Martin Close (West)
Description:	Housing and open space allocations		
Ownership:	Private landowner		
Current Use:	Grazing land	Indicative Phasing:	35 units 6 to 10
Delivery Mechanisms:	Landowner in partnership with developer		

SA27: Land at St. Martin Close, Handcross



Objectives

- The Slaugham Neighbourhood Plan allocates St Martin Close (East) for 30 dwellings (SNP: Policy 9 refers) and St Martin Close (West) as a Reserve site for 35 dwellings (SNP: Policy 10 refers). The Neighbourhood Plan identifies that the release of the Reserve site is to be triggered by a number of potential events, including the adopted Mid Sussex Site Allocations DPD and the need to allocate the site to meet the residual District housing requirement.
- This policy allocates St Martin Close (West) for housing and open space, subject to phasing as set out in the Neighbourhood Plan i.e. to come forward later within the Plan period following the delivery of St Martin Close (East). It seeks to ensure that a high quality, landscape led and coherent sustainable extension to Handcross is delivered, including integrated open space and access arrangements with that of St Martin Close (East).

Urban Design Principles
<ul style="list-style-type: none"> • Provide a landscape led, coherent master-plan that involves integrated design, landscaping, access and open space arrangements with that of St Martin Close (East). • Contribute towards local character and local needs of Handcross village and the High Weald AONB by providing a mix of dwelling types and sizes, including smaller terraces or flats, ensuring contextual architectural style and detailing. • Enhance the connectivity of the site with Handcross village by providing pedestrian and/or cycle links to St Martin Close, West Park Road and Coos Lane. • Orientate development with building frontages facing the tree lined field boundaries and open space to provide an attractive backdrop to the public realm and to avoid trees overshadowing back gardens.
AONB
<ul style="list-style-type: none"> • Ensure that the site layout, capacity and landscape mitigation requirements are informed by the recommendations of a Landscape and Visual Impact Assessment (LVIA), in order to conserve and enhance the landscape of the High Weald AONB, and to minimise impacts on its special qualities as set out in the High Weald AONB Management Plan. • Retain and enhance mature trees and planting along the boundaries of the site, incorporating these into the landscape structure and Green Infrastructure provision of the development to limit impacts on the wider countryside.
Social and Community
<ul style="list-style-type: none"> • Integrate the provision of open space between the two sites, and with the existing open space at West Park Road, to provide enhanced and connected open space facilities. The open space is to be accessible and inclusive to the local community.
Historic Environment and Cultural Heritage
<ul style="list-style-type: none"> • The site is located near the crest of a sandstone ridge in the High Weald, a favourable location for archaeological sites, requiring Archaeological Assessment and appropriate mitigation arising from the results.
Biodiversity and Green Infrastructure
<ul style="list-style-type: none"> • Undertake an holistic approach to Green Infrastructure provision through biodiversity and landscape enhancements within the site connecting to the surrounding area. • Conserve and enhance areas of wildlife value and ensure there is a net gain to biodiversity overall. Avoid any loss of biodiversity through ecological protection and enhancement, and good design. Where this is not possible, mitigate and as a last resort, compensate for any loss. • Incorporate SuDS within the Green Infrastructure to improve biodiversity and water quality.
Highways and Access
<ul style="list-style-type: none"> • Provide integrated access with St Martin Close (East). Access from Coos Lane is not acceptable for highway and landscape reasons.
Flood Risk and Drainage
<ul style="list-style-type: none"> • Design surface water drainage to minimise run off, to incorporate SuDS and to ensure that Flood Risk is not increased. • Layout to ensure future access to existing wastewater infrastructure for maintenance and upsizing purposes. A 15 metre gap between the pumping station and any sensitive development (such as housing) should be taken into consideration in the site layout.
Utilities
<ul style="list-style-type: none"> • Underground wastewater infrastructure crosses the site.. Ensure that the layout of the development enables future access to existing wastewater infrastructure for maintenance and upsizing purposes.