



The Planning Inspectorate

Report to Horsham District Council

by **Geoff Salter BA MRTPI**

an Inspector appointed by the Secretary of State for Communities and Local Government

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PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

**REPORT ON THE EXAMINATION INTO
HORSHAM DISTRICT PLANNING FRAMEWORK**

Document submitted for examination on 8 August 2014

Examination hearings held between 4 November 2014 and 3 July 2015

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Abbreviations Used in this Report

AA	Appropriate Assessment
AHVA	Affordable Housing Viability Assessment
AoNB	Area of Outstanding Natural Beauty
B&HBC	Brighton and Hove Borough Council
CBC	Crawley Borough Council
CCG	Clinical Commissioning Group
CS	Core Strategy
dpa	dwellings per year
DtC	Duty to Co-operate
HDPF	Horsham District Planning Framework
HMA	Housing Market Area
IDP	Infrastructure Delivery Plan
LGW	London Gatwick Airport
LDS	Local Development Scheme
LP	Local Plan
MM	Main Modification
NP	Neighbourhood Plan
OAN	Objectively assessed need
NPPG	National Planning Policy Guidance
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SCC	Surrey County Council
SuDS	Sustainable urban Drainage Scheme

Non-Technical Summary

This report concludes that the Horsham District Planning Framework (HDPF - the Plan) provides an appropriate basis for the planning of the District providing a number of modifications are made to the plan. Horsham District Council has specifically requested me to recommend any modifications necessary to enable the plan to be adopted.

All of the modifications to address this were proposed by the Council but where necessary I have amended detailed wording and added consequential modifications where necessary. I have recommended their inclusion after considering the representations from other parties on these issues.

The Main Modifications can be summarised as follows:

- The housing requirement for the Plan period should be 16,000 dwellings at a rate of 800 dwellings per year;
- The Plan should be subject to an early review, to commence within three years;
- Three strategic development areas should be brought forward for at least 2,500 dwellings at North Horsham, around 600 dwellings west of Southwater and around 150 dwellings south of Billingshurst;
- Revised criteria for the assessment of new retail development outside Horsham town centre;
- A new policy for a mixed use development for employment, education and specialist housing at the former Novartis site;
- Modifications to the detailed planning of development at North Horsham;
- Modifications to the climate change policy to accord with government policy;
- Modifications to the policy for the protection of community and leisure facilities to accord with government policy; and
- Clarifications to the Glossary, Plans and the Council's intended changes to the Policies maps to ensure effectiveness.

Introduction

1. This report contains my assessment of the Horsham District Planning Framework (HDPF - the Plan) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. Paragraph (#) 182 of the National Planning Policy Framework (NPPF) makes clear that to be sound, a Local Plan should be positively prepared; justified; effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my examination is the submitted draft plan (August 2014) which is the same as the document published for consultation in May 2014.
3. My report deals with the main modifications that are needed to make the Plan sound and legally compliant and they are identified in bold in the report (**MM**). In accordance with section 20(7C) of the 2004 Act the Council requested that I should make any modifications needed to rectify matters that make the Plan unsound/not legally compliant and thus incapable of being adopted. These main modifications are set out in the Appendix.
4. The Main Modifications that are necessary for soundness all relate to matters that were discussed at the Examination hearings. Following these discussions, the Council prepared a schedule of proposed main modifications and carried out an updated sustainability appraisal. The schedule was subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report and in this light I have made some amendments to the detailed wording of the main modifications and added consequential modifications where these are necessary for consistency or clarity. None of these amendments significantly alters the content of the modifications as published for consultation or undermines the participatory processes and sustainability appraisal that has been undertaken. Where necessary I have highlighted these amendments in the report.

Assessment of Duty to Co-operate

5. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on them by section 33A of the 2004 Act in relation to the Plan's preparation.
6. The Council has a good record of constructive engagement with neighbouring Councils and relevant statutory authorities, dating back to well before the preparation of the HDPF (CD/LP/12,13). The previous Core Strategy identified the area west of Bewbush, now known as Kilnwood Vale, as an urban extension to Crawley which is now being developed in accordance with a joint area action plan. The Council is part of the Gatwick Diamond initiative, a group of authorities planning for and supporting economic development in the sub region. Horsham DC, Crawley BC and Mid Sussex DC have prepared a joint Strategic Housing Market Assessment (SHMA) May 2009 and updated

(October 2012), with an affordable housing needs SHMA update in October 2014 and economic development studies, the latest being the Northern West Sussex Economic Growth Assessment (EGA) dated April 2014. The Council has provided records of a number of regular meetings throughout the plan preparation period up to submission attended by both officers and members and covering a wide range of issues including, most importantly, the key planning topics of housing and employment provision (HDC/18 and 21).

7. I appreciate that much of this planning context is the same as that provided by Mid Sussex District Council (MSDC), whose Local Plan (LP) failed the Duty to Cooperate (DtC) legal requirement in late 2013. However, unlike the Mid Sussex LP, the submitted HDPF has not been subject to objections from neighbouring local planning authorities; indeed, the HDPF has been actively supported by both Crawley Borough Council (CBC) and MSDC, with key officers giving evidence on Horsham District Council's behalf during relevant hearing sessions. Crucially, the increase in the housing target from the Preferred Strategy stage indicates that the engagement with adjoining stakeholders has been constructive. While I have deeper concerns about the soundness of the housing target in the submitted strategy, including its justification with regard to meeting Horsham's own and Crawley's needs, as discussed below, I consider that the legal requirements of the Localism Act with regard to continuous and constructive engagement have been met.

Assessment of Soundness

Preamble

8. Following the first period of hearing sessions in November 2014, I prepared a report summarising my Initial Findings, which was sent to the Council on 19 December 2014. At that stage I found some important shortcomings in the submitted HDPF with regard to housing provision. In essence the Council had failed to justify the identified level of housing need and therefore had not addressed the implications of providing for the correct level of need. The NPPF requires local planning authorities to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs (OAN) for market and affordable housing in the Housing Market Area (HMA), as far as is consistent with the policies in the NPPF.
9. The Council considered my findings and as a result of further work published a number of main modifications (MMs) in March 2015 for further comments. These MMs included a revision of the housing requirement figure from 650 dwellings per year (dpa) to 750 dpa over the plan period from 2011 to 2031. The Council also published a number of supporting documents, including an update to the Sustainability Appraisal (SA) and a revised assessment of its objectively assessed need (OAN). In cooperation with CBC and MSDC, an updated SHMA was also published concerning the needs of the area covered by the three Councils (HDC/38). A resumed hearing session was held in July 2015 to discuss the updated evidence base and representations on the MMs.

Main Issues

10. Taking account of all the representations, written evidence and the discussions that took place at all the examination hearings I have identified 14 main issues upon which the soundness of the Plan depends.

Issue 1 – General strategy

11. On balance, I consider the overall strategy to concentrate growth in the main settlements in the hierarchy, starting with Horsham as a first order centre, followed by Southwater and Billingshurst, to be sound. These are the main urban areas in the district, with the best concentration of facilities able to support, with additions, new development, as clarified in **MM3**. The housing trajectory, which I discuss in more detail below, already includes a comprehensive selection of known suitable and realistically available sites. A policy to concentrate development in urban extensions is justified by the consideration of alternative strategies in the SA (CD/LP/05), which has been an integral part of the plan preparation process since 2009. Reasonable alternative strategies were assessed as part of an iterative process, as set out in Chapter 7 of the SA, considering the three key variables of the amount of housing that should be delivered in the District, the locational strategy for development and the location of strategic development. The identified allocations for new housing and employment premises are capable of development without any undue environmental effects and avoid areas of particular landscape or ecological value.
12. Greater dispersal of development to smaller settlements would be likely to lead to a less sustainable pattern of development with regard to transport patterns related to provision of employment opportunities, retail facilities and social and community services. Such a strategy would have been unlikely to be realistic in terms of compliance with national policy in the NPPF or the advice in PPG.
13. The proposal for some development (about 10% of the housing total) in villages, to be identified in Neighbourhood Plans (NPs), is also justified and accords with government policy in the NPPF. The proposal for a new 'Mayfield Market Town' (MMT) has been put forward as an addition to the development already proposed in the HDPF. This was tested in the earlier stages of Plan preparation, along with other locational strategies, but not carried forward because strategic expansion of existing settlements with a mix of smaller sites was considered a more sustainable approach (SA, chapter 7). I consider it reasonable in the circumstances not to pursue an option that was predicated on a much more significant step change in housing provision than indicated by the CLG household projections at the time and the previous SEP housing target of 650 dpa. I deal with this in more detail below.
14. The Plan is supported by documentation specifying the new infrastructure necessary to support the level of development envisaged, and how this would

be delivered, particularly through the Infrastructure Delivery Plan (IDP). No significant transport infrastructure would be required in the form of major new highways, although significant improvements to a number of junctions around Horsham will be required. Appendix 5 of the Council's updated position statement for the resumed hearing (HDC/40) sets out a range of works needed by WSCC to accommodate the traffic impacts from the allocations and expected housing development up to 750 dpa, most of which would be front-loaded onto the next 10 years of the plan period.

15. Although modifications to the amount of housing over the plan period are required, the Plan's vision and overall strategy to concentrate most new development at the main settlements remains essentially unchanged. In general, the modifications do not constitute a significant change to the main thrust of the submitted plan and are not so extensive as to constitute a complete re-write of the originally submitted version of the Framework. However, it became clear during the examination that the Plan should be the subject of an early review for two main reasons: firstly, to review the housing requirement, particularly to take into account the implications of the forthcoming government decision on the location of a third runway for the London airports, as always envisaged; and secondly, to identify the areas for new housing development needed towards the end of the Plan period to meet the increased housing requirement of 800 dpa.

Issue 2: Environment

16. Most of the suggested revisions to policies 24 and 30 would be unnecessarily restrictive and are not needed for compliance with the NPPF; some would be contrary to the broad thrust of the NPPF to promote necessary sustainable housing and employment growth unless specific policies, such as those for the protection of Sites of Special Scientific Interest (SSSI) or Areas of Outstanding Natural Beauty (AoNB). The Council has agreed to a minor addition to reflect the wording of the NPPF regarding protecting natural assets. I consider the environmental impacts likely to result from the allocations in the Plan in more detail in the sections below. The document should be read as a whole and the HDPF contains a number of environmental safeguards within the two policies and also Policies 25-27. I consider the HDPF will be effective in protecting the District's environmental and heritage assets therefore.

Issue 3: Employment

17. The headline employment figures from the 2011 census show that Horsham District had a resident workforce of 66,868, but there is an out-commuting ratio of about 18%. The Council, CBC and MSDC commissioned the joint NW Sussex Economic Growth Assessment (NGA) which in summary outlined three possible employment scenarios for Horsham District: a baseline prediction of job growth of 445 pa; a higher growth scenario of 636 jobs pa; and a capacity-based scenario (assuming an additional three employment sites beyond those contained in the HDPF) of 757 jobs pa. The Council's position with regard to the submitted plan was that the baseline figure of a total of 8,890 jobs over the plan period to 2031 was realistically achievable, through

commitments for new floorspace, protection of the best existing employment areas and the proposed development of a new business park within the mixed use allocation at North Horsham. The HDPF contains no target for employment growth, however; this is not inconsistent with the NPPF, which requires local planning authorities (LPAs) to plan positively for expected employment needs in a general sense.

18. In the context of my Initial Findings regarding housing provision, I expressed a note of caution about the forecasts, in the light of evidence about the local economy. I understand that the methodology used in the forecasting involved the analysis and breakdown of the local economy into a number of sectors, to which projected national growth rates were applied. This may not provide a particularly accurate prediction of future growth in a changing employment environment locally. There are indications of such change in Horsham, particularly in the market for large scale offices, although the district's role as a key part of the 'Gatwick Diamond' is not likely to diminish, and could be altered considerably depending on the outcome of the decision on the third London runway.
19. The baseline scenario of 445 jobs pa also represents a large increase on historic job growth between 1997 and 2013 of 273 jobs pa. An update to this figure submitted at the resumed hearing suggested a higher annual rate of 340 jobs pa but even so the EGA scenarios indicate a very significant uplift in historic job growth performance. As the EGA acknowledges the projected increase in total B class jobs could be regarded as optimistic based on past performance.
20. The EGA did indicate clearly that there were some inadequacies in the type and range of employment sites in the District. It referred to the rather dated nature of some of the larger office properties in the town centre, as well as a shortage of modern employment property. A key conclusion of the EGA was the need for industrial floorspace, which may suffer a potential shortfall of 16 ha, compared with a 5.5 ha shortfall of office space. The study also indicated that there was a strong need for modern, high quality business premises well located in relation to the strategic road network.
21. Based on recent indications such as the take up of planning permissions, there appears to be sufficient capacity available to meet current demand for employment space. The Council referred to the possibility of further employment development coming through intensification of use on existing retained sites, some windfall and other sites identified in Neighbourhood Plans (NPs). On past trends these sources are unlikely to bring about any shift change in the number of workers in the District. The clear changes in the local economy, including indicators such as the lack of demand to implement an allocation for the redevelopment of Warnham and Wealden Brickworks at Langhurstwood Road and the closure of a major employer, Novartis, lead me to continue treating the EGA scenarios with caution.
22. In any event, there appear to be enough sites (including the proposed new business park), for current foreseeable demand; I agree with the Council that there is no indication that the Plan will suppress growth. The proposal to review the Plan, to commence within three years in accordance with my recommended modification (**MM2**), will ensure that additional allocations could

be considered to ensure that any justified and necessary employment growth is not constrained.

23. As to concerns about the lack of premises for small to medium-sized industrial and warehouse enterprises, I accept the Council's point that the HDPF is an overarching framework for the whole district and that site specific needs can be identified and planned for through NPs (clarified through **MMS**) and in a forthcoming Site Allocations DPD. I have concluded therefore that the broad framework of the employment policies would be sufficient to meet likely needs and would provide for still considerable growth of at least 300 dpa. However, it would be prudent to reconsider likely employment needs when the early review of the HDPF occurs, particularly to take account of any new requirements after the decision about the third runway.

North Horsham Business Park

24. The proposal for a business park at North Horsham accords with the recommendation of the EGA that the Council should consider allocating new employment space in the area of strongest market demand (ie in or around Horsham). The location of the 'park' relatively near to Gatwick Airport and the M23, adjacent to the strategic road network and with good potential for rail access is likely to be attractive to a large number of potential occupiers. The prospective developer of the North Horsham site was very positive about the prospects for deliverability and viability of the Business Park element of the allocation at this location. I have no firm evidence to question this position; although the amount of business floorspace was reduced in the developer's mixed use scheme at Kings Hill, the market potential and demand for premises there during a different phase in the economic cycle are not comparable with those at the North Horsham location.
25. From my visits throughout the Plan area, I consider this to be the employment site with the most realistic chance of combining commercial success with reasonable provision of access by public transport. Overall, the housing and employment benefits of the proposed allocation would significantly outweigh the disadvantages of the environmental impacts, which in my view would not be unacceptably severe.

Retention and development of Key Employment Areas

26. The EGA found that losses of industrial floorspace over the previous 11 years had been relatively modest. Low vacancy rates and a lack of surplus space had created market conditions with little frictional space, opportunity to expand or upgrade premises. The majority of the district's industrial areas were performing relatively well and the study concluded that there was a sound justification for safeguarding such existing employment sites, particularly the larger and most important industrial areas such as Foundry Lane and Southwater Business Park. The need to retain good employment sites to support the local economy and growth in the Gatwick Diamond area as a whole is clear and Policy 8 is justified and sound.
27. After preparation of the Plan a major employer, Novartis, announced the closure of its business at Horsham. In response, during the suspension of the

examination, the Council put forward **MM5**, **MM7** and **MM9**, which proposed a university and higher education quarter on the site, with some 200 specialist housing units. At the time the modification was advertised, discussions were taking place with the University of Brighton regarding an expansion through a satellite campus at the site. However, this proposal has now been dropped, apparently through lack of funding. At the resumed hearing the Council confirmed its intention that the policy should remain as modified by **MM9**, which has some flexibility in its wording if no other higher education provider comes forward to re-use the site. I consider the new policy would provide suitable guidance for this key site and support local employment.

Issue 4: Retail Development/Town centres

28. The main concern with the retail strategy of the HDPF related to the potential amount of new floorspace at out of centre locations at N Horsham and Broadbridge Heath. The shopping facilities at North Horsham would be intended as a local centre primarily to serve the proposed new housing, educational and business developments. In order to prevent any undue draw of trade from the primary town centre of Horsham itself, Policy SD3 needs to be modified to include an impact test in accordance with **MM17**. As originally drafted, Policy 6 could well have allowed an unacceptable amount of new retail development at Broadbridge Heath. The Council has agreed to insert a clause imposing a requirement for a full retail impact assessment for town centre uses with a cumulative total of 2,500sq m [**MM6**]. I consider the revised policies contain adequate safeguards to prevent any undue impact on the vitality and viability of Horsham town centre and should ensure the continued planned investment at the main centre in the retail hierarchy in accordance with policy in the NPPF.

Issue 5 – Housing

Objectively assessed need (OAN)

29. The submitted HDPF contained a housing requirements figure of 650 dwellings per year (dpa). At the time the Plan was formulated the Council did not rely on a district-wide SHMA in conventional form. As I noted in my Initial Findings, the North West Sussex SHMA (CD/H/04), updated in October 2014, primarily addressed affordable housing need. The overall assessment of need was found in the Locally Generated Housing Needs Study (LGHNS), updated in September 2012, which did not use the 2011-based CLG household projections. I expressed serious concerns that the Council's estimate of need did not properly reflect the most recent data available, contrary to the advice in National Planning Policy Guidance (NPPG).
30. The Council reviewed its position in the light of my findings and commissioned further work to revise the OAN figure - Housing Need in Horsham District, March 2015 (CD/H/O3), which did use as a starting point the latest CLG household projections, published in February 2015. These indicated a projected formation of 597 households pa, equivalent to 615 dpa, allowing for vacancies. At the resumed hearing and in written evidence a number of

representors argued that this figure underestimated the OAN, taking account of necessary adjustments to reflect guidance in the NPPG.

Population and household projections

31. Looking at household formation predicted by the CLG projections, headship rates are assumed to show a significant rise compared with the previous set (2011 based). The 8% growth for Horsham in the period 2012-2021 compares with a 10% rise nationally, reflecting an expectation of a return to headship rates more aligned with those preceding the downturn in the economy in 2008, more in line with longer term trends. There is no strong evidence to suggest that the CLG projections of headship rates and household formation based on the latest population figures should be significantly adjusted. However, document HO/3 does note that the projected headship rates in the 25-34 age cohort are not expected to return to the trend from 2001 to 2008, possibly reflecting affordability pressures. I do not think it reasonable to assume that headship rates across a larger cohort (25-44) will return to 2001-2011 levels, certainly not at the fast recovery rate predicted by some objectors. Over time, the decrease in household size, much of which is already factored in by CLG population projections with regard to older age cohorts, could be expected to level off. However, the Council's analysis in CD/HO/3 does test higher headship rates for the 25-34 age group which would lead to a higher OAN figure; I discuss this in relation to market signals below.

Employment forecasts

32. If necessary, the OAN should be adjusted to reflect likely employment forecasts, to provide adequate housing for an increased number of jobs. It is important to note that the CLG household projections already incorporate significant growth, reflecting past migration trends and employment growth of about 275 jobs pa. The 2012 LGHNS update (CD/H/02) indicated that 767 dwellings would be needed to align with roughly the same level of employment growth as that in the baseline projection (440 pa).
33. As discussed in relation to employment policy above, the EGA study indicates that a key element of future demand is for a new modern business park. Important changes are taking place in the local economy: an employment allocation at Warnham and Wealden Brickworks has not been taken up; Novartis, a major employer in the District, has gone; town centre offices, evidenced by vacant premises in North Street, have significantly reduced in size; the Council has consolidated premises and determined that prior approval is not required for the change of use of its site to housing; and retail employment patterns are changing as a result of online growth.
34. Projections of very large increases in the growth of jobs compared with the last two and a half decades are not necessarily consistent with current local economic evidence therefore. Some of the sectors identified, such as retailing related to housing growth or professional services could well be affected by structural changes such as on line retail growth or the loss or decline of major local employers such as Novartis. The projected reduction in the population of working age could indicate some pressure to increase housing numbers, possibly offset by increased numbers of older part-time workers.

35. In summary, I agree with the Council's analysis that there is no evidence to support the contention that a lack of housing has suppressed or held back employment growth. On balance I consider that there is no need for any significant uplift in the OAN figure to account for employment growth at a much higher rate than that seen over the last 15-20 years. Even if very high numbers of projected jobs materialise, they could be filled through a reduction of commuting levels. This would meet the policy objective of the NPPF to prevent unsustainable travel patterns resulting from a constrained housing supply (and thus an inadequate number of resident workers) to support employment growth.

Market signals

36. The relative position of house prices in Horsham compared with the HMA and regional and national trends is unchanged; over the period from 1998 to 2007 they have increased by similar percentages in all areas. Since 2007, Horsham house prices have again followed regional and national trends, showing notable price falls to 2009 and relatively flat indicators since. Sales volumes show a similar picture in recent years, with dramatic falls in 2008, from which they have just recovered, somewhat faster than the national average. Price/income ratios in Horsham remain just below the peak levels found in 2007 and until the last 18 months have been little changed. Absolute rises are similar to those in Mid Sussex, although affordability issues in Crawley are not so severe.
37. Since 2006/07 completions data in Horsham and across the HMA fell well short of the former South East Plan target, although there has been a marked pick up over the last two years, again reflecting improved market conditions. The initial slow pace of development on major development sites west of Crawley during the recession clearly had a significant impact on these figures. The Council have included a modest upwards adjustment in their OAN figure of 22 dpa to account for affordability pressure in the 25-34 age group, evidenced by substantial growth in private rented sector accommodation and the number of persons in HMOs, even though these indicators are again in line with HMA and national trends. I consider there is no strong case for a significant uplift to account for market signals in Horsham district, which are very similar to those elsewhere across virtually all of the south east. The Council's modest increase appears appropriate therefore.

Affordable housing

38. With regard to affordable housing needs, the most recent assessment in October 2014 (CD/H/O4) indicates a need for between 225 and 404 affordable homes each year. This is part of the overall OAN figure, not in addition to it. Almost all of the minimum core level of need (those on housing register within the 'reasonable preference' category) can be met from the 650 OAN figure if 35% of new housing on larger sites is for affordable housing, in accordance with Policy 15. Privately rented housing to those on benefits cannot be considered affordable housing (see *Higginbottom v Oadby and Wigston* EW HC 1879) but a very reasonable proportion of the highest identified affordable housing need can be provided. Other issues, such as the availability of

financial support, are likely to be more of a constraint on the supply of affordable housing in the district. The policy response of a higher OAN requirement may not deliver higher numbers of affordable housing therefore and in any event there are no strong grounds for an uplift in Horsham on this account.

OAN conclusions

39. On balance therefore, I remain unconvinced that a significant uplift in the OAN figure for Horsham District alone would be justified. A modest increase in the baseline figure of 615 from CLG projections, including a 3% allowance for vacancies and second homes, to a figure of around 650 dpa would support growth in the population of working age employment to meet some additional employment needs and some reduction in affordability pressures.
40. However, there are other needs in the HMA, which includes Crawley and Mid Sussex. In March 2015 the three Councils agreed a new position statement setting out the OAN for the whole HMA area and the proposed housing provision at that time (HDC/38). At the time of my Initial Findings the residual unmet need in Crawley was about 220 dpa. Following the hearings at the Crawley examination, it has been agreed that Crawley can meet only about 334 dpa of the OAN figure of 675 dpa, leaving a shortfall of 340 dpa. As already indicated, Horsham should meet some of this need if possible; on a very rough basis it seems reasonable for Horsham to try to accommodate roughly half this number.
41. I remain unconvinced of any considerable degree of overlap between the NW Sussex HMA and that of the coastal authorities to the south. The needs of Brighton and other nearby coast towns arise from the strong migratory pull of those wishing to live in a town by the sea; these pressures are not the same as those generated by smaller inland towns or rural communities. Although HDC have continued constructive dialogue with Brighton and Hove Borough Council (B&HBC), there has been no objection to the HDPF or firm indication of how many dwellings might be required to fulfil unmet needs there.
42. Similarly, the Mayor of London has indicated that he expects the capital to be able to meet the revised FALP housing requirements of 49,000 dpa without recourse to requests to Councils outside the GLA area to provide housing to meet any shortfall in London. No such request has been made thus far.
43. Taking all these factors into account, I recommend that the housing requirement contained in the HDPF should be 800 dpa (**MM10, MM11**). This reflects my conclusions on the need within the district itself of about 650 dpa, plus an allowance for almost half of the unmet need in Crawley Borough.

Housing supply

44. Since the hearings in November 2014 the Council has revised the housing delivery trajectory (HDC/40), which provides for 14,974 dwellings over the whole Plan period (MM12). The increase in numbers from the previous trajectory appears to result from the extra dwellings allocated at land south of Billingshurst, others on new sites permitted since the Plan submission, for example: 165 at Guildford Road, Broadbridge Heath; 193 at Mill Straight, Southwater; and 160 on the smaller part of the Novartis site (MM4). This

does not account for all the uplift but there have also been a significant number of new permissions on smaller sites in the intervening period. In the absence of any firm evidence to the contrary I have no reason to believe that the delivery of housing will not be broadly in accordance with this programme.

45. What is clear from the trajectory is that a large number of committed dwellings are due to be constructed over the next 8 years up to 2023, primarily at Kilnwood Vale (previously known as West of Bewbush) and west Horsham, together with the North Horsham and Southwater allocations. On the Council's latest figures there has been a shortfall over the first four years of the plan period of 739 dpa against a requirement of 800 dpa. Looking back over the last decade or so delivery of housing in Horsham district has been consistent with national economic trends; although there was under delivery against former SEP targets during the recession after 2008 there has been a noticeable increase in housing completions over the last two years. I consider there has been no persistent under delivery of housing and the normal 5% buffer for the five year supply should apply.
46. The Council did not take account of another 250 potential homes at North Horsham or 200 dwellings that may come forward at the main part of the Novartis site. It may be possible to increase the number of dwellings at North Horsham but it seems likely that any extra completions would come forward at the end of the build programme, beyond 2031. Concerns have been expressed about the development trajectory for the allocation and I note there has already been some minor slippage so far. However, given the length of the remaining plan period (at least 15 years) there is enough flexibility for any delays to be recovered. The potential 200 units for students at the main Novartis site are for a specific new need that has not been taken into account in preparing the OAN figure. I agree with a number of representors that they should not be included as part of the delivery to meet the Plan's housing requirement but would be in addition to that number. The current uncertainty about the site reinforces my precautionary approach on this issue.
47. Inevitably, the numbers of homes being proposed in NPs is uncertain at this relatively early stage in the process of their production. However, from the evidence produced by the Council on the position so far (C/HDC/40) the number of 1500 over the whole district seems realistic. Since the hearings in November 2014 a number of 'front runners' have started or are carrying out public consultation and some 688 dwellings (44% of the expected dwelling target) have been identified across 29% of the designated NP areas. From this evidence about expected delivery from NPs I consider the 100 pa assumed from this source in the housing trajectory is a reasonable estimate of the minimum number of dwellings likely to come forward in the smaller settlements of the district. Further flexibility is provided by the Council's intention to consider the need for additional site allocations in the Site Allocations DPD, programmed to begin in 2016, as set out in the Local Development Scheme (LDS).
48. As I indicated in my Initial Findings, the total windfall allowance of 750 units is soundly based on evidence of past completions over several years encompassing different market conditions (CD/H/08). The annual projections of 100 dpa through NPs and 50 dpa from windfalls from 2016 onwards are realistic therefore.

49. Taking all these factors into account my calculation of the five year supply requirement is 4976 dwellings : (739 shortfall + 4,000 target) x 5% buffer. This compares with expected delivery in the trajectory from April 2015 up to March 2020 of well over 800 dpa. The total projected supply over this period is 5803 dwellings. The Council provided compelling evidence that a windfall allowance of 50 dpa was justified by analysis of permissions granted over recent years, further supported by the increase in expected supply since 2014 already mentioned. With these elements, the projected supply represents about 116% of the requirement (including the 5% buffer), ensuring the Council has a 5 years supply with a considerable degree of flexibility to take account of any slippage on major sites. Even without the NP sites, the five year supply requirement is just met.

Housing conclusions

50. The Plan does not identify enough housing for the whole Plan period, on a basis of 800 dpa. Although the background evidence did not include a capacity study for the District, the SA updates (CD/LP/25a,b) produced to support the MMs indicate that the district can accommodate up to 800 dpa with some environmental impacts. However, I consider these impacts would not be so severe as to outweigh the pressing need to meet the OAN for housing in Horsham and the SHMA as a whole.
51. There is no contingency in the delivery trajectory, other than the allowance for non-development of existing permissions on small sites. There would be a shortfall in the later years of the period, which the Council needs to address in the early review, together with a review of the requirement itself, whether or not LGW expansion goes ahead. The review work should include an assessment of potential sustainable sites falling between the likely maximum limit of any NP sites, probably about 150, and the strategic allocations of 500 plus. Although desirable, it is not an essential requirement of policy in the NPPF that specific site allocations to meet requirements in years 11-15 of a plan period should be identified. I have taken what I consider to be a pragmatic approach to ensure that new housing can be delivered in the early part of the plan period, in accordance with the Ministerial Statement of July 2015.
52. As I discuss in brief below, there are other large sites with the potential to meet requirements towards the end of the plan period. These options include land west of Ifield, near the area of need at Crawley, west of Southwater and east of Billingshurst. If the review identifies significantly increased requirements, it is possible that the option of developing a new settlement may need to be considered in more depth. I consider that in the first instance it is for the Council to look again in more detail at the merits or otherwise of these options, together with other smaller sites and the monitoring of housing provision through NPs. I make some comments in relation to the evidence produced in writing and at the hearings but it would not be appropriate at this stage for me to make any firm recommendations about any of these sites in this report.
53. A joint approach involving all the relevant Councils is required on a co-operative basis to fully address the OANs of at the very least the three Council areas in one overall SHMA and possibly to include consideration of other

updated needs outside the SHMA, including those of the coastal area authorities and possibly London. It is appropriate for this Plan to proceed on that basis, provided that there is a firm commitment from the Council to play its part in addressing the needs of the wider area as part of an early review of the HDPF, as required by **MM2**.

Affordable housing – Policy 15

54. Policy 15 of the submitted HDPF requires 35% of dwellings to be affordable on sites providing 15 or more dwellings, or on sites over 0.5ha. On sites providing between 5 and 14 dwellings, 20% of dwellings should be affordable or an equivalent financial contribution should be made. The policy of differential rates at these thresholds is justified by detailed analysis in the Affordable Housing Viability Study – 2012 (CD/H/01) and the update in October 2014 (CD/H/04). These concluded that a target rate of 40% would be viable with the inclusion of grant funding. I agree with the Council that it is prudent to reduce the target to 35% to take into account the vagaries of grant funding. The policy also includes an appropriate reference to the viability of individual schemes to ensure adequate flexibility in its implementation.
55. Since the original hearings the government revised the policy set out in the PPG to remove the requirement to provide affordable housing on sites with 10 or fewer dwellings **MM13** was an amendment to the policy to change the 20% threshold in accordance with the NPPG, which was advertised in March 2015 for comment. However, a successful High Court challenge by two councils has resulted in the deletion of the revised guidance in the NPPG and the Council has requested that the original Policy 15 should stand and that MM13 be withdrawn. Bearing in mind the sound economic justification for the policy as originally drafted and the clear need for affordable homes in Horsham, a substantial proportion of which could come from smaller sites, I consider that it would be appropriate to disregard MM13 and leave Policy 15 as submitted.

Gypsies, Travellers and Travelling Showpeople

56. There was no substantive objection to Policy 20 concerning the provision of 39 net permanent residential pitches for gypsies and travellers between 2011 and 2017, together with a commitment to make additional provision over the rest of the plan period. These commitments, including the provision on new sites already with permission, would meet the needs identified in the December 2012 Gypsy and Traveller Accommodation Needs Assessment (CD/H/12) and did provide a five year supply up to 2017. However, the Council cannot demonstrate a five year supply at present.
57. Further work is continuing to assess needs beyond 2017 and in accordance with Policy 21 additional sites will be identified through the preparation of the Site Allocations DPD, to commence in 2016. In addition, the overall level of need should be reconsidered as part of the early review process for the HDPF, which is to commence within three years. Given its scope, the HDPF cannot remedy the deficiency regarding the five year supply, which clearly has implications for the treatment of planning application in the context of government policy in #25 of 'Planning policy for traveller sites'. Despite the very short time frame for additional pitch provision, the HDPF provides a short term interim framework to meet the needs of gypsies, travellers and travelling

showpeople before the issue is addressed comprehensively in the Review required by **MM2**.

Issue 6 – North Horsham

58. A key element of the Plan is the allocation of an extensive tract of land at North Horsham for a mixed use development which would include at least 2,500 homes, a business park, schools, retail, social and community facilities , including a doctors' surgery. The allocation was the subject of a large number of objections and was the subject of extensive debate at the hearings. Nevertheless, from all the written and oral evidence, including comments on supplementary studies in support of the allocation, nothing has convinced me that the proposed allocation is not sound.
59. Of all the proposed sites for major new housing development, I consider the North Horsham allocation is at one of the most sustainable locations, close to the heart of the Gatwick Diamond economic area and well placed to meet the clear need for housing in the District but also the SHMA as a whole, with particular reference to unmet needs in Crawley. At the resumed hearing the Council indicated that the allocation had potential for a minimum of 2,500 homes but in all likelihood another 250 homes could be accommodated. This is the subject of **MM14**, required for clarification and effectiveness.
60. I have already discussed the issues raised concerning the deliverability of the business park above; the area identified appears to have great potential to meet a need for modern space close to the area of highest demand, near Gatwick Airport. The location is sustainable at present but would be improved by the provision of a new station towards the eastern end of the allocated area. While noting the arguments about the deliverability of another station in close proximity to a previously planned station at the Kilnwood Vale development, the wording of the Plan is suitably flexible in that the necessary land is safeguarded pending further consultation with the Department for Transport and Network Rail. The proposals cannot be considered unsound in this respect.
61. I appreciate that a station at North Horsham would help to improve the sustainability of the allocation by improving transport choices but that desirable outcome may be at the expense of another desirable station too close for operational viability. However, I agree with the Council that the proposed station is not critical to the sustainability credentials of the allocation, given the number of other stations nearby, including Horsham itself (within a relatively short bus or cycle ride), Littlehaven (even closer) Warnham (on a slower line to London through Dorking) Faygate or Ifield. An alternative scenario could involve the closure of Faygate.
62. There would be some separation from the main urban area of Horsham itself, which would lie on the other side of a busy trunk road. This disadvantage could partly be overcome by four new pedestrian and cycle links additional to the retained subway, as indicated on the Concept Masterplan, amended in accordance with **MM15**. The mixed use development would have a number of facilities itself, including a large convenience store and a variety of facilities,

including schools, to create a new neighbourhood. **MM16** and **MM17** are necessary to ensure that the new retail facilities do not have an adverse effect on the primary shopping centre of Horsham town centre.

63. There was considerable argument about the merits of locating a secondary school at North Horsham, rather than at a larger development west of Southwater, an area which already 'exports' substantial numbers of secondary age pupils each day, largely to Horsham. However, the education authority supports the allocation, citing the benefits of provision being provided as the scheme develops and the ability to accommodate overspill from Crawley. As a result of discussion about school requirements, a Statement of Common Ground (SoCG) has been agreed between WSCC and Liberty Trust, the proposers of the scheme, which clarifies delivery mechanisms in accordance with **MM19** and **MM20**.
64. The proposed development area on largely flat land below the wooded ridgeline to the north, which would create a clear defensible boundary, would not result in the loss of landscape of particularly high value, as assessed in the Landscape Capacity Assessment Report (CD/ENV/10). By and large the site is visually separate from the High Weald AoNB to the south west, with the potential railway station and associated parking on the other side of the A264. From my inspection of the surroundings, I consider the setting of the AoNB would be protected. The distance between the new development and the western edge of Crawley would be reduced from about 3.5km to 3km but would be sufficient for the separate identities of both towns to be retained. The Concept Master Plan shows extensive areas of 'landscape and buffering' along the northern boundary of the allocation to create a firm edge to the urban extension. The Masterplan should be amended in accordance with **MM34** to clarify the boundary, and the extent and location of the secondary school site with consequent amendments.
65. There is no evidence of sensitive ecological habitat or protected species across the open farmland which comprises the majority of the site; other existing habitats along hedgerows and watercourses are safeguarded on the master plan and could be fully protected at the detailed design stage, as required by **MM18**. Substantial areas of open space would be retained alongside Old Holbrook and a nature park, incorporating Bush Copse ancient woodland, would be created in low lying land liable to flood.
66. The allocated area is large enough to provide for the suggested amount of development without recourse to those areas liable to flood, which could be kept as open space and small nature reserves (CD EN/01). I see no reason why a sustainable urban drainage scheme (SUDS) could not be designed that would restrict surface water outflows to existing levels at worst; tellingly, the Environment Agency raise no objection to the proposed allocation.
67. The highway authority considers that there would be no adverse effects on the strategic road network that could not be mitigated satisfactorily. I have no alternative convincing technical evidence that the modelling by WSCC is not fit for purpose, as alleged. Although the new development and associated crossings of the A264 would have some impact on traffic flows on this route, WSCC confirmed that there would be no significant impact on strategic road capacity, subject to **MM21** and **MM22**. Similarly, although traffic delays into

Horsham from the north would increase, they would not reach unsupportable lengths. Further modelling by the proposers of the development indicates how detailed measures could be achieved to retain reasonable flows along the A264 and secure safe links to the town.

68. In addition I understand that WSCC and Surrey County Council (SCC) would seek improvements to the section of the A24 north from Great Daux roundabout that has a poor safety record. Although a full medium to long term scheme needs to be planned in detail, **MM23** provides for interim measures to address the impact of the development on the road network, including those parts outside Horsham District. Initial traffic studies show that delays on local roads could be averted by junction improvements to provide more capacity. While there would clearly be some sense of separation from the existing urban area of Horsham, safe crossings for pedestrians and cyclists across the A264 could be provided at grade or by bridge; an existing underpass would be retained. Other traffic management measures, including width restrictions, could be developed to strongly discourage rat running through the lanes to the north of the site and to provide better pedestrian and cycle access to Horsham town centre. Full bus services would be provided and supported for several years through a Section 106 obligation.
69. Considerable work has already taken place on the planning of the whole development, including a viability appraisal which shows that the scheme is deliverable. Although there are some risks attached to the allocation of a substantial proportion of new development in one location, a more dispersed pattern of development as advocated by some representors may well be less efficient and could pose problems for infrastructure provision. I deal with some broad infrastructure points below, but I find nothing inappropriate in the likely funding mechanisms, including the probable exclusion of this site from the proposed CIL regime, given the extensive provision and costs of on-site infrastructure, including particularly the new schools and highway works. The proposals also allow for the provision of affordable housing in accordance with Policy 15. In conclusion, the allocation offers the opportunity to provide necessary housing, business development and community facilities at a sustainable location. Overall, the housing and employment benefits of the proposed allocation would significantly outweigh the disadvantages of the environmental impacts, which in my view would not be unacceptably severe.

Issue 7 –Southwater

West of Southwater

70. Similar comments apply to the allocated land west of Southwater with regard to landscape impact, biodiversity and highway safety and convenience. The site is at a sustainable location relatively close to the centre of the settlement and a revised figure of 600 dwellings could be well integrated with existing housing (**MM24**). The development would provide support to local shops and services. Since submission of HDPF the Council has granted permission for a 596 dwelling scheme, so any detailed discussion of the merits of the allocation is academic.

Other objection sites

71. During the consultation on the Plan a number of additional or alternative sites were put forward on the basis of arguments that the housing requirement figure was much too low and more housing capacity would be needed over the Plan period. Although I supported this view in my Initial Findings, the Council put forward just one additional site for housing, at Billingshurst (see below). Despite the provision of much more housing in the updated housing trajectory, more allocations are likely to be needed to meet the housing requirement of 800 dpa towards the end of the Plan period, and potentially even more land could be needed, depending on the outcome of the early review. While I have made some preliminary comments about the 'omission' sites that have been put forward, it will be for the council to decide how best to meet future needs, following further work on the merits of competing sites through updated SA.

West of Southwater extension

72. Developers of the West of Southwater allocation and other representors opposed to North Horsham argued for a significant extension of the allocation to provide a larger scheme for about 1300 homes in total, a small local centre and a secondary school. A new school here would have the advantage of reducing the very significant numbers of children travelling from Southwater (which does not have a secondary school) into Horsham. Although the proposal for more dwellings and a secondary school at this location had previously been supported by WSCC as education authority, the authority now says that it would also be acceptable to provide a secondary school in due course at North Horsham, where pupil numbers would increase and where overspill from Crawley could be accommodated.

73. Subject to a suitable policy framework restricting the amount of retail development at the site, I see no reason why additional dwellings here would not help to support and consolidate Southwater village and the investment that has already taken place at Lintott Square. The countryside to the west of the allocated area is a relatively intimate landscape of small scale fields bounded by hedgerows, including some mature trees. I therefore share some of the Council's concerns about landscape impact, which might be more serious than at North Horsham. From the evidence provided there appear to be no overriding constraints about highways and access to the A24, where further improvements are likely to be needed. There are concerns about access to the station at Christ's Hospital, which is quite a long walk from the site and has limited parking; these would have to be addressed. From the ecological surveys there would be no particularly adverse impacts on wildlife.

74. In conclusion, the advantages of extra school places at Southwater are not sufficient to outweigh the sustainability and other advantages of the North Horsham allocation. However, although the site is not needed now, it should be revisited in the context of a need to provide for more dwellings during this plan period when the plan is reviewed and for any future needs that may arise as a result of such a review of the OAN for the SHMA, following a definitive decision about the future of Gatwick Airport.

75. I note that since the first hearing sessions the Council has granted permission for 193 dwellings at Mill Straight on the southern edge of the town; this is not

a strategic site in the context of an HDPF allocation but makes an important contribution to the five year supply.

Issue 8 – Billingshurst

76. A considerable number of new dwellings are already committed at Billingshurst. As part of the MMs published in March 2015 the Council allocated an urban extension on the south side of the town to the east and west of an already committed site as a 'rounding off' of the urban area. **[MM25]**. Although smaller than the minimum size threshold for new allocations set out in the HDPF, the proposals appear to be a logical urban extension to the town, in a sustainable location within reasonable walking distance of the railway station and within a short cycling distance of the town centre. The impact of the development of the site on the landscape would be limited and there appear to be no overriding constraints. Although low lying, there is no objection from the EA regarding surface water flooding, subject to the provision of a suitable Sustainable urban Drainage Scheme (SuDS) in the normal way. Further development in Billingshurst would help consolidate the viability of retail, social and community facilities in the town, which has an employment base and reasonable rail connection to Gatwick airport and on to London. The urban extension proposed in **MM25** is sound.
77. From the evidence and my site visits I consider Billingshurst has further potential for sustainable development to the east of the town, which would consolidate its role in the local settlement hierarchy. The Council makes a good point that the recently permitted housing needs some time to be assimilated into the physical and social fabric of the town. The pace of new development and the provision of adequate physical and social infrastructure would need to be carefully managed therefore. There appear to be no overriding objections to some modest further expansion. The landscape character of the area is of pleasant enclosed fields used for pasture but is not of such quality as to warrant protection from development. There are no significant infrastructure constraints: the secondary school has scope to expand to 10 form entry; and drainage could bypass the town to the north. Together with the new 475 home development approved on appeal, further allocations could deliver part of a localised by-pass around the east side of the town. I consider that this proposal should be considered in the early review of the plan to meet housing needs during the back half of this plan period or any new requirements arising from a revision of the OAN. Some development here may have some potential to relieve some of the pressure for new housing in some coastal authorities.

Issue 9: Crawley extension sites

West of Ifield

78. A substantial area of land to the west of Ifield is well located in a relatively sustainable position close to employment opportunities at Crawley and LGW. The relatively flat landscape is reasonably attractive but has no particularly special quality. The setting of Ifield church and the surrounding Conservation

Area of the village could be preserved through careful design and buffers separating new development from the old village.

79. Clearly, a substantial development of about 2,500 dwellings and ancillary uses would require considerable investment in infrastructure to be successful. A long term aspiration for a new western relief road at Crawley may be needed, even without the expansion of LGW. The timing and funding for this remains uncertain. The provision of new schools, a new or expanded waste water treatment works, health and other community services would need to be planned in conjunction with CBC. However, none of these issues seems insurmountable and the proposed development is being actively promoted on the basis of viability and deliverability.
80. The main issue with deliverability of the site concerns timing. Although much of the land is owned by the Homes and Communities Agency a substantial part is Ifield golf club, which has a lease until 2022. The loss of the golf course as a sports facility would be unfortunate but there are several others nearby and this would not be a critical objection. The noise contours from LGW affect part of the site but a substantial developable area would remain. Nonetheless, the extent of the area for new housing would be better assessed after the decision about the future of LGW and the impact on a number of sites, including employment sites, is known. As the Council agreed, it would be appropriate to re-consider the land when the review of the HDPF is undertaken within the next three years.

West of Kilnwood Vale

81. The extension of Kilnwood Vale to the west was put forward as another potential long term option to increase housing supply. Similar concerns about the provision of infrastructure in Crawley and the timing of delivery apply. The site is more remote from Crawley than West of Ifield and facilities and services in the town may be less accessible. The Council raised a strong objection that development would reduce further the gap between Crawley and Horsham, which is important to retain community identity and remains significant in landscape terms. I note that this option was considered and discounted at the examination into the West of Bewbush AAP.

Matter 10 - Other village and rural sites

82. A number of sites at villages were put forward as additions to the strategic allocations in the Plan, on the basis that a higher housing target would be required. The original intention of the LDS was for the HDPF to set out broad locations for developments of over 500 dwellings, deferring the allocation of smaller sites for 150-500 dwellings to the Site Allocations DPD. A significant number of other smaller sites (up to a maximum size of 150 dwellings) are expected to come forward through NPs. This approach does leave some uncertainty in the short term about meeting OAN through potential sites which are not within parishes likely to be covered by NPs. The Council has already varied its position on this matter by including the land south of Billingshurst for 150 houses as an allocation in the HDPF.

83. However, adequate housing land to secure a supply for five years has been identified and a number of NPs are underway. An early review of the Plan is required to provide the remainder of housing requirement. Therefore, there is no pressing need to allocate additional smaller sites now; the Council has the mechanism of the Site Allocations DPD if initial monitoring shows a potential shortfall in the short term supply of land. It would not be appropriate at this stage to change the basis of the Plan and to require a significant change to the LDS, although the Council may wish to review the way medium-sized sites are dealt with as part of the review. I have not therefore considered in detail the merits of a number of rural sites put forward during the examination, including land adjoining Bax Close, and adjoining Clay Lane, both at Storrington, land north of The Rise, Partridge Green, or land east of Pound Lane, Upper Beeding.

Matter 11 - Mayfield Market Town (MMT)

84. For the reasons set out above in relation to housing need, I consider that the very significant increase in the amount of development involved in the MMT proposal is not required in current circumstances. At present there is no need to include an area of search for the proposed 'market town'. The planning mechanisms put forward by representors on behalf of Mayfield that an area of search should be identified in the HDPF followed by detailed planning through an SPD would not be appropriate or lawful; such a significant large development could not be decided through a non-statutory process outside the development plan legal framework. As was acknowledged by virtually all participants at the hearings, any decision to expand Gatwick Airport by building a second runway would have major implications for the planning of the whole sub-region and would almost certainly necessitate an urgent review of the HDPF (and in all probability the plans of all authorities in the Gatwick Diamond area). If that were to occur, the way in which future development needs should be met would undoubtedly be raised again. It would be for the Council to determine, in constructive cooperation with other relevant bodies, including particularly Mid Sussex DC, how those needs would be met.
85. Much of the area of search for the proposed new town is pleasant low-lying pastureland, but it could not be said to possess special scenic quality. The land does not fall within any environmental designation and there is no evidence that any protected wildlife habitats need be affected. Despite the anecdotal evidence of local residents, there appears to be no concern from the EA that surface water flooding could not be managed through a SDS. No other overriding physical constraints have been raised.
86. However, I raised significant concerns about the sustainability of the location of the MMT site, in particular its distance from railway services and the strategic road network and the potential usage and viability of the 'park and ride' proposals. These concerns were refuted by the promoters of the proposed MMT but endorsed by other participants, including both District Councils. To my mind the location of the site beyond reasonable walking and cycle distance from the rail services serving LGW and the main employment centres along the route remains a severe disadvantage. Even if the MMT provided a significant amount of new employment, it is unrealistic to expect such a level of self-containment that a very significant proportion of travel to

work by car would be avoided.

87. As paragraph 52 of the NPPF acknowledges, the supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements that follow the principles of Garden Cities. It is for local authorities to consider, with the support of their local communities, whether such opportunities provide the best way of achieving sustainable development. The deliverability of the preferred 10,000 dwelling option, with employment development, within two local authority areas without their support, and in the face of strong opposition from two local MPs, parish councils and local people, including land owners, is also an issue of concern. While compulsory purchase order (CPO) powers could be used if an agreed scheme were to be approved through the development planning process, that outcome seems distant at present. The scheme for just half of what the promoters ideally prefer in Horsham district alone would appear to dilute the fundamental concept and raises further uncertainty about delivery.
88. Nevertheless, bearing in mind my concerns about housing need and the clear need to review the plan at the earliest possibility, preferably in conjunction with at the very least the other two LPAs in the NW Sussex HMA, I think it would be premature to rule out in principle any potential for a new settlement to meet future needs. While I have some doubts about the extent of overlap between what appear quite different housing market areas, a 'market town' option, or some similar form of new settlement to meet some of the housing needs arising in the Sussex coastal areas may be an option to be reconsidered. This need not be at the suggested location for the MMT or possibly some further work might overcome the disadvantages of the Mayfield proposal in relation to access by public transport, among other matters. In any event I do not support the Council's suggested MM1 to delete the reference to such consideration in the future. What is clear however is that such an option would have to evolve through cooperation and consultation amongst the local planning authorities and all the local communities involved.

Matter 12: Other Horsham sites

Tower Hill

89. The potential allocation site at Tower Hill is not of strategic scale and would be seen as a clear break beyond the existing natural boundary of the railway line. The area has some landscape sensitivity. The Council has expressed some concerns about providing a safe access, due to the proximity of any potential road access to a junction with a bad highway safety record.

North West Horsham

90. This very substantial area of countryside to the east of the A24 was put forward for development of about 5,000 dwellings very late in the plan process as an alternative to the North Horsham allocation. The area is not physically well related to the Horsham urban area (or any other settlement) and is not as well located as North Horsham to the heart of the Gatwick Diamond area. At this stage there is virtually no evidence base on which to evaluate any very large scale development. In particular, the traffic implications of such a new

large development on the safe use of the A24, which is acknowledged to be in need of improvement on traffic grounds, have not been fully assessed. In the absence of any such background work, any consideration of the site would be premature.

Lyons Farm

91. Development of this large site (capable of taking more than 500 dwellings) would be seen as a separate entity to the main area of urban extension at Broadbridge Heath, beyond the settlement boundary established in the former Structure Plan. The main part of the site would be over 750m from the centre of Broadbridge Heath and I agree with the Council that it is difficult to envisage how the new housing area would integrate with the expanded village.

Issue 13 - Climate change

92. Policy 35 - Appropriate energy use – sets out guidelines for energy use in new buildings that are broadly consistent with government policy in that they do not require adherence to specific standards but set general parameters for the reduction of energy in all new development. The policy also includes a heating and cooling hierarchy, with a broad generalised requirement to maximise the potential for carbon reduction. The detailed proposed amendment from a representor for a site specific combined heat and power plant at Kilnwood Vale would not be precluded by this policy. However, it would not be appropriate to make such an allocation in a strategic plan such as HDPF; it could be provided for in the subsequent Site Allocations DPD, if appropriate.
93. Following the recent ministerial statement concerning energy and climate change issued on 18 June 2015, the Council has put forward two modifications to remove reference to wind energy schemes in the last part of Policy 35 and to add some detail to the supporting text in #10.18. These changes - **MM38 and MM39** - are required for consistency with government policy.

Issue 14: Infrastructure

94. The IDP was prepared in consultation with key stakeholders and sets out the infrastructure necessary to support the development proposed in the HDPF and how such infrastructure can be delivered. It includes details of the required timing of all essential elements to ensure proper phasing of development, in accordance with the NPPF (#177). Policy 38 sets out the key principles for the provision of new infrastructure, including a general requirement for phasing to ensure appropriate infrastructure is provided at the right time to support the new growth.
95. Full viability studies have been carried out for the main allocations, including North Horsham, which indicate that the full range of development can be delivered with proper infrastructure and a level of affordable housing in accordance with Policy 15 (CD/IN/4). The relevant policies for the strategic allocations, SD1-8 for N Horsham and SD9 for Southwater, provide an

adequate framework to ensure infrastructure will be provided at the right time to serve each phase of the development. The Plan's requirements should ensure that adequate infrastructure, including new roads, open space and schooling, would be provided. In common with major urban extensions with substantial site specific requirements elsewhere, it would not be viable to charge Community Infrastructure Levy (CIL) as well, given the scale of investment required. I note that the gap between the estimated cost (at about £37m) of all necessary infrastructure expected to be funded through CIL (primarily social and green infrastructure) and projected CIL receipts had risen to about £17m in July 2015. This gap is not so significant as to put at risk key infrastructure projects and other key elements of infrastructure, such as schools and transport requirements, which would be funded through sources other than CIL, such as Section 106 payments, WSCC capital budgets and New Homes Bonus.

96. Some residents expressed concerns about access to healthcare provision when significant new housing proposed in the Plan was completed. However, the Council has carried out proper consultations with the Clinical Commissioning Group (CCG), which is well aware of the nature and scope of development proposed in Horsham. The responsibility for ensuring the resident population has reasonable access to hospitals and primary healthcare rests in the first instance with this group, which has raised no objections to the Plan. As far as I am aware distances from various parts of the district to hospitals meet normal current standards but in any event the HDPF cannot set out requirements for health care or any other infrastructure that has not been proposed by the relevant authority with evidence of need and adequate funding.
97. I consider Policies 39 and 40 provide an adequate policy context for the provision of new cycling infrastructure, in accordance with #35 of NPPF. The allocated sites will make adequate provision for cycles, including new safe crossings of the A264, through the application of Policies SD 1-7.

Other matters

98. **MM28** contains the wording of revisions to Policy 43 concerning the retention of community facilities and open space, which as originally worded did not accurately reflect the guidance in the NPPF (#74).
99. **MMs31-33** contain modifications to definitions in the glossary, necessary for effectiveness. **MMs 35-37** set out necessary clarifications to site plans and the Policies Map.

Assessment of Legal Compliance

100. My examination of the compliance of the Plan with the legal requirements is summarised in the table below. I conclude that the Plan meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The HDPF is identified within the updated approved LDS July 2015 which sets out an expected adoption date of October 2015. The HDPF content and timing are broadly compliant with the LDS, although there has been slippage at the end of the programme due to the need for a resumed hearing in July 2015 after publication of and consultation on Main Modifications (MMs).
Statement of Community Involvement (SCI) and relevant regulations	Consultation on the HDPF has been compliant with the requirements of the adopted SCI (November 2013), including the consultation on the post-submission proposed MM changes.
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Appropriate Assessment (AA)	The Habitats Regulations AA Report (April/2014) concludes that the HDPF will not have an adverse effect on site integrity of any European site, alone or in combination with other plans or projects.
National Policy	The HDPF complies with national policy except where indicated and modifications are recommended.
2004 Act (as amended) and 2012 Regulations.	The HDPF complies with the Act and the Regulations.

Overall Conclusion and Recommendation

101. The Plan has a number of deficiencies in relation to soundness for the reasons set out above which mean that I recommend that it should not be adopted as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.

102. The Council has requested that I recommend main modifications to make the Plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix the HDPF satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

Geoff Salter

Inspector

This report is accompanied by the Appendix containing the Main Modifications