Horsham Local Plan 2023-2040 Examination of the Local Plan

Matter 1: Legal and Procedural Requirements
Statement on behalf of A2 Dominion

November 2024



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Client
A2Dominion
Our reference
A2DS3001

1. Introduction

- 1.1 This Statement is submitted on behalf of A2 Dominion (hereafter referred to as 'A2D') to the Horsham Local Plan Examination in response to 'Matter 1: Legal and Procedural Requirements set out in the Inspector's Matters Issues and Questions document (ID04 14th October 2024). This Statement solely addresses Issue 1 of that matter.
- 1.2 This statement should be read in conjunction with the other statements submitted on behalf of A2D, and their representations to consultation on the draft Local Plan.
- 1.3 As the Inspector (and HDC) will be aware from their earlier representations, A2Dominion is promoting an area to the west of Pease Pottage within Horsham District for a residential development which is capable of helping to address the District's own needs, as well as those unmet housing needs arising from the neighbouring authority of Crawley Borough. This scheme is referred to by A2Dominion as 'Cottesmore Village'.
- 1.4 The 'Cottesmore Village' proposition has the potential to accommodate a strategic scale of residential development, with a variety of house types and sizes. This scheme also has the potential to meet the needs of a broad group in the community, including those of older people and those in need of care. This broader proposition has the potential to provide supporting facilities, including a local centre and a new primary school for example.
- 1.5 A2Dominion has consistently maintained in its representations and contributions to examinations, to this Local Plan, as well as to the recently adopted Crawley Borough Local Plan and the draft Mid Sussex Local Plan (currently at examination), that there are significant unmet housing needs arising from Crawley and that those needs should be met close to where they arise.

A2Dominion

- 1.6 A2Dominion is a residential property group and award-winning housing developer. They pursue their business with a social purpose, reinvesting profits from private sales into building new affordable homes, managing existing homes and supporting local communities. They deliver on all tenures on their development sites, retaining a long-term interest via the ownership and management the affordable housing and open areas.
- 1.7 A2Dominion's vision is to improve people's lives through high-quality homes and services. A2Dominion has over 38,000 homes across London and southern England and are committed to developing new homes that are genuinely sustainable.

2. Response to Matter 1: Legal and Procedural Requirements

Matter 1, Issue 1 – Whether the Council has complied with the duty to cooperate in the preparation of the Plan?

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

2.1 We take each of these aspects in turn.

Establishing and Meeting a Housing Need

- 2.2 In relation to the Duty to Co-operate, it is clear that housing (and therefore unmet need for housing) is a relevant 'strategic matter' (see paragraph 3.1 of document DC04 'Crawley Borough Council Statement of Common Ground').
- 2.3 In relation to co-operation to establish and meet a housing need, so far as that relates to the needs of this District, the Council has not met its own needs. That is plainly clear because paragraph 10.4 of the submission Local Plan (SD01) says:
 - "The standard methodology calculation for Horsham District in 2023 is calculated as **911 dwellings per annum**. This is equivalent to providing **a minimum of 15,487 homes** in the 17-year period between 2023 and 2040."
- 2.4 Paragraph 10.21 of the submission Local Plan (SD01) explains what the Council actually seeks to provide for (this is reflected in Strategic Policy 37):
 - "The Council's evidence base work has identified a total of **13,212 homes w**hich are considered to be deliverable in the Plan period. Taking account of the need for flexibility of supply, this equates to an annualised target of **777 homes each year** (and includes a 10% buffer for the first five years of the Plan period)"
- 2.5 Clearly there is a very substantial difference between what is required (as the minimum starting point as per the NPPF), and what the Local Plan seeks to deliver against the District's own needs.
- 2.6 As we explain in our other Statements, the Council should have sought solutions to ensure that needs can be met. We also explain in our other Statements that there are compelling reasons why the level of housing required in Horsham District should be increased from the standard method figure.
- 2.7 We recognise that the examination into the draft Mid Sussex Local Plan is underway and that the Inspector in that case has already indicated (at the hearing sessions) that further evidence will be required to demonstrate that the Duty to Cooperate has been met. In our view, if there is found to be a failure against the DtC in Mid Sussex District,

- that may have significant implications for the draft Horsham Local Plan (given the similarity of the strategic cross boundary issues).
- 2.8 The second aspect to this relates to unmet housing need, and whether the Council has co-operated to establish and meet a housing need arising from elsewhere. Paragraph 10.7 of the submission Local Plan (SD01) rightly acknowledges that "Due to the constrained nature of Crawley Borough, which is built up to its administrative boundaries, Crawley will not be able to meet a significant proportion of their identified housing need in their Plan period.". Paragraph 10.8 of the submission Local Plan refers to the 'current indications' being that those unmet housing needs would equate to a total of 7,050 dwellings.
- 2.9 The Crawley Borough Local Plan was adopted on 16 October 2024. The Local Plan Inspectors concluded that the Plan-period should be extended (to cover the period 2023 to 2024) and stated that:
 - "110. As a consequence of clarifying the plan period it would be necessary to extrapolate the housing requirement by an additional year to increase the overall minimum requirement from 5,030 to 5,330 dwellings. MM2 and MM24 would do this, and we recommend them so that the Plan would be effective. Allied to this, the extent of unmet housing need would increase from 7,050 to 7,505 dwellings"
- 2.10 The Crawley Borough Local Plan therefore covers the same period as proposed by the Horsham District Local Plan (as submitted SD01) (2023 2040).
- 2.11 Whilst the submission Local Plan therefore records the unmet need figure as being 7,050 dwellings, that should be updated to refer to 7,505 dwellings between 2023 2040 (this is proposed in HDC's main modifications, ref HM045).
- 2.12 It is therefore reasonable to say that a housing need, including in relation to unmet needs from Crawley, has been established. However, the Inspector's question specifically asks 'How has the Council co-operated to establish and meet a housing need'. In response to that aspect of the question, we note that the Council has not produced a Plan which 'meets a housing need' (whether its own or from neighbouring areas).
- 2.13 If housing is to be provided within the District to meet the needs of Crawley then this should be done in a manner where the spatial distribution of such housing has a close functional relationship with the neighbouring authority. That being the case, Pease Pottage is uniquely located within the District to accommodate new housing close to Crawley and accessible to it via public transport.
- 2.14 The alternative would be that such provision is provided distant from where the need arises.
- 2.15 The approach to unmet needs has been addressed in a number of Local Plan examinations (such as in Oxfordshire in Cherwell and South Oxfordshire Districts), with a consistent recognition that needs should be met close to where they arise.

- 2.16 Given the clear sustainability credentials of Crawley, we are concerned that HDC has limited the consideration of options within the District to address those needs. This restriction has been manifested by the exclusion (from at least 2020) of locations within the AONB (National Landscape), the absence of Crawley from the spatial strategy, and the apparent exclusion of any assessment of site-specific water reduction measures.
- 2.17 The Spatial Strategy Topic Paper (HDC02) states at paragraph 5.9 that:

"At this high level, the SA process made some broad assumptions around the implications of large amounts of development in particular locations (e.g. potential impacts on flood risk, biodiversity, infrastructure and community cohesion). Other broad principles were applied, for example the strong economic relationship between Horsham District, Crawley and the Gatwick Diamond area; and that failure to provide some level of growth related to Crawley and Gatwick may fail to best respond to problems both of out-commuting and of unmet housing needs in this area in particular."

- 2.18 It is therefore a component of the evidence base to this examination that there is a strong economic relationship between Horsham District and Crawley and that by not providing growth related to Crawley and Gatwick, the plan may fail to respond to important considerations. Whilst we note that this Plan does include an element of growth adjacent to Crawley, this should not be apportioned to the unmet needs from the neighbouring authority, but seen in the context of a shortfall against HDC's need.
- 2.19 Providing homes for the needs of Crawley away from the town would no only make them less accessible, but would cause issues of affordability.
- 2.20 The Turley Economics report which accompanied A2Dominion's representations highlights that the average home in Crawley cost the equivalent of circa 9.3 years' earnings in 2022. In our submission, this highlights that the failure to address Crawley Borough's unmet housing needs is likely to increase cost of accessing suitable housing if it cannot be provided within the Borough itself. This is demonstrated by the greater cost of housing, relative to earnings in the surrounding area.
- 2.21 The evidence on housing needs in the North West Sussex HMA includes a Strategic Housing Market Assessment which states:

"The average (mean) house price across Northern West Sussex was around £420,000 in 2018 whilst the median price was around £370,000. The lower quartile house price was just under £285,000. The median house price in Crawley is 8% below the South East average.

Median house prices in Horsham are in contrast 12% above the South East average – influenced by the higher volume of sales of larger homes and quality of life offer.

Figure 16 illustrates house price distribution across Northern West Sussex. To the north of the NWS HMA boundary, prices gradually increase, demonstrating London's influence on the residential property market in the area. In comparison, the house prices in the HMA generally remain lower, with small clusters of higher prices in some

- of Horsham's rural parts such as Amberley, Dial Post, West Chiltington and West Grinstead. Prices in Crawley and Horsham Town remain in the lower ranges, between £100,000 up to £400,000."
- 2.22 The same point arises from the fact that the Plan does not seek to address those unmet needs from Crawley increasing issues of affordability for those who (under normal circumstances) would seek new homes in Crawley.

How specifically have development constraints influenced that co-operation, particularly water neutrality

- 2.23 At the outset, we do not consider that constraints should influence the need for effective, outcome-driven cooperation.
- 2.24 Document DC04 explains that "Since the receipt of the initial request as to whether HDC could accommodate any of Crawley's unmet needs, matters relating to the Habitats Regulations and impact of water supply abstraction on protected Habitats arose. This created a significant delay in the progression of the Local Plans and also the ability to grant permission for new developments across both authority areas. Despite the delays to the Local Plans, discussions and evidence base updates have continued to be undertaken to establish the extent to which Crawley can deliver housing within its own boundaries. In addition, Horsham District Council has prepared a range of evidence base documents to support the preparation of its own plan, to examine the extent to which it could accommodate housing needs."
- 2.25 Therefore, Crawley Borough Council has maintained that it has unmet housing needs, a fact now crystalised and quantified by the adoption of their Local Plan. They have liaised with HDC (and others, such as MSDC) regarding this matter. However it is evident that no solutions have been found. On the basis of Document DC04 (paragraph 3.7), this appears to be primarily, if not exclusively, because of water neutrality matters.
- 2.26 However, in that regard, we draw attention to the submissions made by A2Dominion to other matters of this Examination, wherein we explain that:
 - We cannot quantify or establish, from the associated evidence base, that the SNOWS approach has a restricted capacity which would not allow additional development to be accommodated; and
 - We cannot establish how HDC has considered the ability of other offsetting mechanisms (as are to be allowed for through Strategic Policy 9) in addition to SNOWS, or the ability of site-specific solutions, to deliver a greater level of development.
- 2.27 If it is established, during the course of this Examination that the District's ability to accommodate additional development was restricted because of the water neutrality considerations, and that the Council has not given proper considerations to the potential of alternative solutions to accommodate greater levels of development, that fundamentally undermines the matters set out in Document DC04 (see our paragraph

2.14 above). It would be untenable, in our view, for any conclusion to the contrary to be made.

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