Horsham District Local Plan 2023-2040 Examination

Our ref 61647/02/MS/HB

Date 22 November 2024

From Lichfields obo Berkeley Strategic Land Limited

Subject Matter 1: Legal and Procedural Requirements

This Hearing Statement has been submitted by Berkeley Strategic Land Limited ('Berkeley'); promoting the 'Land North West of Southwater' (HA3) 'Strategic Site' for around 1,000 homes.

Appendix 1 to this statement sets out a Table of Modifications as proposed within Berkeley's submitted Hearing Statements (Matters 1 to 10).

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

Q1 – Q3

1.1 No comment.

Q4. 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?

- 1.2 This is primarily considered a question for the Council.
- 1.3 Notwithstanding, Horsham District falls within the Northern West Sussex Housing Market Area ('NWSHMA')¹, made up of three authorities: Horsham, Mid-Sussex, and Crawley. The three Councils have a long-standing history of joint working and Horsham has in the past assisted in meeting unmet needs housing needs arising in the NWSHMA (i.e. Crawley)². These three authorities have prioritised meeting the housing needs arising within the defined NWSHMA above other HMAs (principally the Coastal West Sussex HMAs as well as those in the neighbouring Surrey authorities)³.
- As set out in the NWSHMA Housing SoCG (DCo2), Horsham District had earlier in this plan's preparation anticipated continuing to be able to assist meeting Crawley's unmet housing needs as well as meeting its own housing needs in full. However, following Natural England issuing the 'Sussex North Water Resources Zone' position statement (CCo8) the

¹ This area has been established in previous SHMAs, including within the current November 2019 'Northern West Sussex Strategic Housing Market Assessment' report (H01)

² The 'Horsham District Planning Framework' (2015) plan made a 150 dpa provision to meeting the needs of Crawley for example (as per para 10.9, SD01).

Council has concluded that it can no longer meet its own housing needs within the planperiod in order to be compliant with Habitat Regulations⁴. This is owing to a lack of permissions being granted to deliver early in the plan period and then a lack of water neutrality headroom being available in the later plan-period (i.e. Year 6+)⁵. This is on the assumption that demonstrating water neutrality will be needed across the plan period noting that while access to new water sources may become available (and are planned to well within the plan period) there remain uncertainties regarding timing⁶.

- 1.5 As detailed in the NWSHMA Housing SoCG (DCo2), Mid Sussex is planning for more homes than established by its own housing requirement, but is not at this stage making a specific contribution to the unmet housing needs arising in the NWSHMA (either from Crawley or Horsham in the context of this plan – a matter being actively considered in the Mid Sussex Local Plan examination⁷).
- 1.6 From the above, in Berkeley's view, the Council has cooperated with the other LPAs falling within its principal HMA to meet housing needs. While it had originally anticipated being able to meet its own housing needs plus a contribution to wider unmet housing needs, circumstance have changed. The constraint posed by water neutrality across the immediate and potentially medium term (in respect of this plan period) has led to the proposed housing requirement being below identified housing need calculated using the standard method; owing to capacity constraints linked to meeting Habitats Regulations⁸. This has led to the establishment of its housing requirement noting that linked to identified supply some housing needs will currently go unmet in the NWSHMA.

Q5. In overall terms has the Council engaged constructively, actively and on an ongoing basis in maximising the effectiveness of the preparation of the Plan?

1.7 No comment.

Are the ongoing partnerships and joint working arrangements between all the relevant bodies accurately reflected in the Plan?

- 1.8 Building on our response to Q4, there is a commitment within the NWSHMA Housing SoCG (DCo2) that the NWSHMA authorities will work with each other to deal with unmet housing needs arising from the acute water neutrality issue in future rounds of planmaking⁹. This will be according to the Councils at a point when shorter term measures will have been implemented by the Councils in respect of water neutrality and the issue will be a lesser constraint on delivering homes over a future plan-period.
- 1.9 Linked to our comments for Matter 10, a monitoring or review policy should be added into the plan to ensure it is effective. Such a policy would include a specific reference to ongoing partnerships and joint working with the NWSHMA authorities to meet unmet housing needs.

⁴ Paras 6.8 to 6.10, Section 6, DC02.

⁵ See Section 6.7 (pages 110 - 114, paras 6.40 to 6.52) SD03a

⁶ Para 28 – 29, CC11

⁷ See Matter 6, Q67

⁸ As referred to within CC11

⁹ Para 6.24, Section 6, DC02.

1.10

It is of note that the draft NPPF (published 30 July 2024¹⁰) includes a provision (paragraph 226c and 227) whereby any plan already submitted for examination at the point of the new NPPF's formal publication is then adopted with a housing requirement more than 200 dwellings lower than the proposed new standard method figure it would be *"expected to commence plan-making in the new plan-making system at the earliest opportunity to address the shortfall in housing need*". The Council's proposed requirement is equivalent to 777 dpa whereas the Council's local housing need calculated using the proposed new standard methodology would be 1,294 dpa. Assuming the draft NPPF is adopted as drafted, then were this plan found sound, paragraph 227 would be triggered and the Council would need to undertake such a review. The same would also be true of Mid Sussex if proposed modifications to its housing requirement – suggested by the Council – were accepted¹¹. This would mean that future working arrangements as proposed within the NSWSHMA Housing SoCG (DC02) would need to be put into place 'at the earliest opportunity' post adoption irrespective of introducing a monitoring/review policy.

2.0 Issue 2 – Whether the Council has complied with other relevant procedural and legal requirements?

Plan Preparation

Q1 – Q2.

2.1 No comment.

Sustainability Appraisal

Q3. How has the Sustainability Appraisal (SA) informed the preparation of the Plan at each stage?

- 2.2 This is primarily considered a question for the Council. Notwithstanding, the latest SA (Dec 23, SD03a) and the supporting 'Topic Paper 1: The Spatial Strategy' (HDC02) detail how the Sustainability Appraisal process has informed the preparation of plan throughout its preparation. Together these documents demonstrate how the Council:
 - Initially sought to meet its own housing needs as well as provide for wider unmet housing needs in the NSWSHMA (at varying levels of growth and through different spatial options)¹²;
 - ² That it had to re-assess this position owing to Natural England's 'Water Neutrality Position Statement' (CC08) being issued. This presented a de-facto 'cap' on development linked to water demand management (i.e. only a certain amount of development can come forward before 2030 without increasing abstraction if development is built to achieve the 851/p/d target as well as accounting for Southern Water's own measures to reduce water consumption but before offsetting, assuming

¹⁰ https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system

¹¹ See modifications M1 and M67 to the emerging Mid Sussex Emerging Plan (M1 [Page 3, DP2], M67 [page 20, DP2]).

¹² Section 4 (pages 28 to 39), SD03b.

that an alternative water source will be available from 2030 or additional offsetting credits can be made available from this point)¹³; and

- 3 Owing to the issue of water neutrality, the Council reviewed its spatial options again and arrived at a preferred strategy that is in its view deliverable over the plan-period: balancing the need to achieve water neutrality (within a headroom – assuming water neutrality is required across the plan period) while also seeking to deliver as many homes as possible to meet the Council's housing needs alongside supporting infrastructure (following the NPPF Para 11b tests). This is based on the assumption that demonstrating water neutrality across the plan period will be required (in order to meet the habitat regulations¹⁴).
- 2.3 Ultimately, the Council's plan-making process and the spatial strategy of the plan submitted – arrived at through the iterative SA process – has shaped by the Natural England Water Neutrality Position Statement' (CCo8). While the impacts of water neutrality on the ability of development to come forward may change, the plan being examined needs to provide a framework for dealing with the issue for the short to medium term.

Q4. Does the SA assess all reasonable alternative spatial strategy options, levels of housing and employment need and options relating to other policies in the Plan?

- 2.4 Yes. The NPPF (Sep 23) tests of soundness at paragraph 35b include the requirement that they are justified, based on an appropriate strategy taking account of the reasonable alternatives, and based on proportionate evidence. In this context, Berkeley is satisfied that the plan's preparation was supported by a comprehensive SA process that tested all the reasonable alternatives to arrive at what is an appropriate strategy noting the current constraints.
- 2.5 In respect of housing, the initial SA (SD03d) process started with the assumption that the district would meet its own needs and differing level of unmet needs¹⁵. As detailed in the supporting Spatial Strategy Topic Paper (HDC02) the Council tested five levels of growth and six different spatial options for meeting it¹⁶.
- 2.6 These assumptions were then retested through an updated SA (SD03b) in July 2021 following the issuing of Natural England's 'Water Neutrality Position Statement' (CC08). This resulted in changes necessary to make the plan deliverable linked to a broad cap in development: linked to the level of development possible within different water use headrooms¹⁷ and accounting for the potential for offsetting to enable further development (noting uncertainties around both water saving measures¹⁸).

¹³ See Section 4.2 (pages 18-19), and Paras 5.1 to 5.3 and Figure 5.1 (page 23-27), Water Neutrality Part C – Mitigation Strategy (CC11) and Section 6.7 (pages 110-112), SA (Dec 23) (SD03a).

¹⁴ Para 3.9, HDC02

¹⁵ See Section 5 (pages 5 to 12), HDCO2.

¹⁶ See Section 5 (pages 5 to 12), HDC02.

¹⁷ See Section 4.2 (pages 18-19), and Paras 5.1 to 5.3 including Figure 5.1 (page 23-27) Water Neutrality Part C – Mitigation Strategy (CC11).

¹⁸ As noted at Para 6.12 (page 15), HDC02.

- 2.7 Despite concluding that the plan could only deliver lower levels of growth than originally anticipated but the most realistically possible within the water neutrality headroom, the updated SA (HDO3b) still concluded that the principle spatial options for meeting growth were valid: i.e. that delivering growth in existing settlements in accordance with the hierarchy and urban extensions should be the main basis of the plan¹⁹. Other options performing less favourably were not pursued from the preferred strategy (noting the challenges of delivering levels of housing at or above the district's own need)²⁰.
- 2.8 Ultimately, the Council has been forced into the current situation whereby it cannot meet its own needs (nor by extension unmet needs arising from others). Whilst longer term water resource management planning should establish a strategic solution to the issue (from 2030 at the earliest), it is considered imperative that a policy framework is established in this Plan to enable and facilitate growth. The approach proposed ahead of a strategic solution being implemented ensures the plan can be consider lawful under Habitats Regulations (akin to the approach found sound at the Crawley Local Plan examination²¹).
- 2.9 It may be that other representors argue that the Council should have tested other more optimistic growth options post the 'Water Neutrality Position Statement' (CCo8) being issued: i.e. planning to deliver greater levels of housing within the plan-period. This could be testing growth options where (1) Southern Water deliver a new alternative water supply ahead of 2030; (2) Southern Water is able to reduce water demand by a greater extent than anticipated; or (3) the SNOWS offsetting scheme enables greater development that anticipated. This is despite the uncertainties regarding all three scenarios which leads Berkeley to consider that for this plan these options might not be considered 'reasonable' given current knowledge of progress to resolve the water neutrality issue and the prospects of a review and update of the Local Plan.
- 2.10 However, if the Inspector came to such a view, then this is a matter that could be dealt with via modifications to the plan: i.e. an addendum to the SA and then potentially adding in a plan review mechanism (see our response to Matter 10).

Where it is considered that there are no reasonable alternatives, relating to all policies in the Plan is this clearly explained?

2.11 This is primarily considered a question for the Council. Notwithstanding, we recognise the Council's response in SDo3c²² that the Reg.18 SA²³ took existing primarily development management style policies (in the Horsham District Planning Framework) and tested these to avoid adverse effects. Its view was that for many policies the alternative would have been to not include the policy or include a policy contrary to the NPPF: both of which would not be reasonable.

 $^{^{19}}$ See Paras 6.49 to 6.52, (pages 112 to 114) and Section 7 (pages 115 to 160), SD03a 20 Para 7.12, Section 7, HDC02

 ²¹ See para 241, Crawley Borough Local Plan 2023 to 2040 Inspectors Report (<u>https://crawley.gov.uk/sites/default/files/2024-09/Crawley%20Borough%20Local%20Plan%202023%20to%202040%20inspectors%20report%20-%20final_0.pdf</u>).
 ²² See page A-6, response to West Sussex County Council & A2 Dominion (/5839)

 ²³ Not part of the examination library. Available here: <u>https://strategicplanning.horsham.gov.uk/gf2.ti/f/950722/63977413.1/PDF/-/Horsham%20District%20Local%20Plan%20Interim%20SA%200f%20smaller%20sites%20 %20policies.pdf</u>

2.12 In the event that the Council is required to test reasonable alternatives to specific policies – either with their being no policy implemented, the policy as proposed, or a policy that seeks higher standards (albeit, Berkeley does not consider such policies are necessary) – then this can be achieved via an update to the SA during the examination process.

Q5.

2.13 No comment.

Habitats Regulation Assessment

Q6. Has the Habitats Regulations Assessment (HRA) been undertaken in accordance with the Conservation of Habitats and Species Regulations 2017?

2.14 Berkeley only comments in so far as the HRA has considered the effects of the Arun Valley SPA / Ramsar Site; relating to the issue of water neutrality. The HRA assesses the plan and concludes:

> "the provision of Local Plan Policy 9 Water Neutrality and commitments from the Council to maintain an offsetting scheme will demonstrate a strong prospect of absolute water neutrality being achieved within the water resource zone: this position has been endorsed by Natural England and other key bodies in a Water Neutrality Statement of Common Ground. ...

It is considered that if the water efficiency measures outlined above would make it more feasible for Southern Water to reduce reliance on the Pulborough groundwater abstraction during periods of high demand and/or low flow, this would protect the SAC and Ramsar site."²⁴

2.15 The above therefore supports the plans proposed water efficiency measures (i.e. 85 litres per person per day) alongside other measures to ensure the plan accords with relevant habitat regulations.

Q7. How has the Plan responded to potential adverse effects on the Mens Special Area of Conservation? Are any specific main modifications needed to the Plan to reflect the latest evidence? What is the latest agreed position with Natural England on this matter?

2.16 No comment.

Climate Change

Q8.

2.17 No comment.

²⁴ Para 6.27-6.28, SD07

Equality Impact Assessment

Q9.

2.18 No comment.

Neighbourhood Plans

Q10.

2.19 No comment.

Superseded Policies

Q11. Is the Plan clear in identifying the policies of the existing development plan which would be superseded by the Plan consistent with Regulation 8(5) of the 2012 Regulations? Are main modifications needed to address this?

2.20 The plan (SD01) is not clear as to which policies from the existing development plan would be superseded. Therefore, **Berkeley objects** as the plan is not consistent with national policy (NPPF 35d). A modification is required to clearly identify which policies are superseded, in the same way that the plan does note which policies are saved from the 2015 'Horsham District Planning Framework²⁵).

Word Count: 2,036

²⁵ Para 1.1, SD01.



Appendix 1 Berkeley Strategic Land Limited – Modification List

Horsham District Local Plan 2023-2040 Examination

Our ref61647/02/MS/HBeDate22 November 2024FromLichfields obo Berkeley Strategic Land Limited

Subject Berkeley Strategic Land Limited Modification List

1.0 Introduction

- This note supports Berkeley Strategic Land Limited's ('Berkeley') submitted Hearing Statements to the Horsham District Local Plan examination (Matters 1 10). Within the Hearing Statements, Berkeley has identified objections to the plan. However, Berkeley considers that the plan can be found sound subject to suitable modifications being made, either being:
 - Modifications that the Council has itself proposed itself (as set out SD14) that Berkeley support; or
 - Additional modifications that Berkeley have proposed.
- 1.2 To assist the Inspector in terms of reading across Berkeley's Hearing Statements, this note sets out a schedule of modifications referring to where specific objections are identified within the submitted Hearing Statements (by matter, issue, question, and specific paragraphs). More detail on the specific modifications sought and the justification for them are set out within Berkeley's Hearing Statements as well as Berkeley's Reg.19 reps (#1198968).

2.0 Modifications Proposed / Sought by Berkeley in its Hearing Statements

#	· ·			Policy / Paragraph in	Summary of Modification Proposed (see Hearing Statements for more detail)
	Issue	Question	Paragraph	Submitted Plan Requiring Modification	
	Matter	1			
#01	2	11	2.20	• Para 1.1 (or elsewhere in plan)	Add table of existing development plan policies that are either saved or superseded.
	Matter	2			
#02	1	1	1.1	 Throughout Plan (SD01) 	Extend plan period to 2041. (See also response to Matter 8, Issue 1, Q1).
#03	1	4	1.4	Chapter 1Chapter 2	The plan should be modified to clearly state that allocations within the emerging local plan – that are also located within areas with adopted NPs (such as HA3) – both (1) supersede those said NP allocations, and (2) that future NPs must be prepared in conformity with this local plan.
#04	2	2	1.7	Objective 8Objective 9Para 9.4	Amend phrase 'smaller market towns' to reflect wording in SP2 (see also #08 below and response to M2, I3, Q3).
#05	2	3	1.8	Objective 10	Amend to read: "Provide a range of housing developments across all parts of the District".
#06	3	1	1.9	• SP2 (or SP37)	Add table of development distribution by settlement.
#07	3	1	1.10	Figure 3	Amend Figure 3 to include all strategic allocations (including carried over sites).
#08	3	3b	1.13	• SP2	Split up Table 3 to define which settlements are 'small towns' and which are 'larger villages'.
#09	3	3d	1.15	• Para 4.34	Para 4.34 to refer to Strategic Policy 3.
#10	3	3f	1.17 - 1.19	SP2Para 4.31	Amend policy to "Development will be permitted within towns and villages that have within defined built-up area boundaries".
					Modify supporting text to ensure consistent wording with development hierarchy (SP2) and clarify what 'limited development' means.
#11	3	4a-b	1.20 - 1.21	• SP3	Support Council's proposed modification: HM008.
#12	3	4c	1.22	• SP3	Amend wording / clarification of phrase 'existing settlements' linked to SP2.
#13	3	4d	1.23	• SP3 (Criterion 5)	Clarify meaning of 'defensible boundary' (i.e. whether this must be an existing boundary or can be one proposed as part of development).
#14	3	4e	1.24	• SP3 (Criterion 6)	Delete criterion.
#15	3	4f	1.25	Polices Map	Amend areas outside Built Up Area Boundaries to refer to Policy SP3.
#16	3	6	1.27	• SP2 • SP3	Provide further clarification neighbourhood plan role in policies SP2, SP3, and relevant supporting text.

#	Relevant Berkeley Response			Policy / Paragraph in	Summary of Modification Proposed (see Hearing Statements for more detail)
	Issue	Question	Paragraph	Submitted Plan Requiring Modification	
	Matter	3			
#17	1	1	1.2	SP6Para 5.3	Support Council's proposed modification: HM012.
#18	1	2b	1.7 – 1.19	• SP7	The policy should be technology agnostic to ensure the 'optimum' solution can always be implemented. Amend part 2(c) of Policy SP7 to read: "Use of the optimum means of low or zero-carbon heat supply is demonstrated including:"
#19	2	1c	2.4	• SP9	Support Council's proposed modification: HM015.
#20	2	1e	2.7	• SP9	Clarify the prioritisation of SNOWS credits to (1) strategic sites proposed to be allocated in this plan (i.e. sites HA2 to HA4) and (2) existing commitments.
	Matter 4	4			
#21	2	1a	2.1 – 2.2	• SP13	Delete phrase "against inappropriate development" from policy SP13.
#22	2	1b	2.3	• SP13	Support Council's proposed modification: HM019.
#23	2	5a	2.5	• SP17	Support Council's proposed modification: HM024.
#24	2	5b	2.6 – 2.8	 SP17 Para 6.48 (Elsewhere in Plan – i.e. HA1 and HA3) 	Amend BNG minimum requirement from 12% to 10%.
#25	2	5b	2.9 - 2.11	• SP17 (Part 6)	Remove text "Submissions must make clear what will be provided to meet no net loss and what will deliver net gains.".
#26	2	5b	2.12	• SP17 (Part 6)	Remove requirement for off-site gains to be secured within Horsham District.
	Matter	6			
#27	1	1a	1.1	• SP23 (Criterion 6)	Amend to "Where there is a need for extra capacity (as identified in specific allocation policies)".
#28	1	1a	1.2	• Para 8.5	Support Council's proposed modification: HM028.
	Matter	7			
#29	2	5c	2.3	• SP35 (Criterion 5)	Amend to clarify threshold for retail impact assessments does not apply to allocated sites (i.e. HA3).
	Matter	8			
#30	1	4	1.15	• SP37	Plan to set requirements for specific Neighbourhood Plan areas.
	Matter	9			
#31	1	1	1.2	• HA1 (2)	Modify BNQ requirement from 12% to 10%.
#32	1	1	1.3	• HA1 (2)	Modify requirement that would require all SuDS features to contribute to BNG (see response and Reg.19 reps).

#	· ·			Policy / Paragraph in	Summary of Modification Proposed (see Hearing Statements for more detail)
	Issue	Question	Paragraph	Submitted Plan Requiring Modification	
#33	1	1	1.4	• HA1 (3)	Add flexibility to refer to including tree lined streets unless justified (albeit relevant wording may have been deleted under proposed modification HM052).
#34	1	1	1.5	• HA1 (4)	Amend criterion to require developments to contribute to achievement of net zero carbon.
#35	1	1	1.6	• HA1 (4)	Delete wording "contribute to water neutrality".
#36	1	1	1.7	• HA1 (5)	Amend policy in respect of enabling Community Land Trusts. Factors that would enable a CLT to deliver on site is outside Berkeley's control and the policy should reflect this.
#37	1	1	1.8	• HA1 (7)	Delete requirement seeking one job per home.
#38	1	1	1.9	HA1 (& supporting text)	Amend policy and supporting text to confirm policy HA1 only applies to sites HA2 to HA4.
#39	1	3	1.11	• HA3 (6)	Amend policy to be consistent with NPPF (Sep 23) Paragraph 202 test.
#40	1	4	1.12 - 1.13	• Figure 8	Preferably delete Figure 8 from the plan. Or update Figure 8 to match the plan prepared by Berkeley shown at Appendix 1 to Matter 9 Statement, or at the very least show the current plan but referred to as being 'illustrative'.
#41	1	5	1.15	• HA3 (2)	Support Council's proposed modification: HM053.
#42	1	8	1.18	• HA3 (7c)	Support Council's proposed modification: HM085.
#43	1	10a	1.20 - 1.23	• HA3	Remove reference to number of homes to be delivered in the plan period.
#44	1	10a	1.24	• HA3 (2b)	Support Council's proposed modification: HM075.
#45	1	10c	1.27 – 1.30	 Figure 8 Para 10.104 	The current school location shown on Figure 8 and referred too at Para 10.104 is unsound (see Berkeley's response for more detail). Given this:
					• Figure 8 should either be deleted, updated to reflect Berkeley's latest masterplan including a different school location, or at least kept the same plan but referred to as illustrative. Berkeley's preference is for it to be deleted.
					Para 10.104 needs updating to no longer refer to the school as expecting the school to be located on the Neighbourhood Plan identified site. Or it should also refer to the revised location proposed by Berkeley.
#46	1	10h	1.38a	• HA3 (2d)	Amend to refer to Berkeley providing 'proportionate' contributions.
#47	1	10h	1.38b	• HA3 (2diii)	Support Council's proposed modification: HM076.
#48	1	10h	1.38c	• HA3 (7a)	Support Council's proposed modification: HM078.
#49	1	10h	1.38d	• HA3 (7bii)	Support Council's proposed modification: HM079.
#50	1	10h	1.38e	• HA3 (7ci)	Support Council's proposed modification: HM080.
#51	1	10h	1.38f	• HA3 (7cii)	Support Council's proposed modification: HM081.
#52	1	10h	1.38g	• HA3 (7ciii)	Support Council's proposed modification: HM082.
#53	1	10h	1.38h	• HA3 (7cv)	Support Council's proposed modification: HM083.
#54	1	10h	1.38i	• HA3 (7vi)	Support Council's proposed modification: HM084.

#	, , , , , , , , , , , , , , , , , , , ,		,, ,, ,,	Summary of Modification Proposed (see Hearing Statements for more detail)	
	Issue	Question	Paragraph	Submitted Plan Requiring Modification	
Matter 10					
#55	1	2	1.2 – 1.4	-	A monitoring policy should be added to the emerging Horsham District Local Plan (SD01) to mandate an early review were the circumstances regarding Water Neutrality to change.