

Examination Statement

Matter 8

Horsham District Local Plan 2023-2040

Prepared For
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1 INTRODUCTION

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



2 MATTER 8 – HOUSING

MATTER 8, ISSUE 1 - WHETHER THE HOUSING REQUIREMENT IS JUSTIFIED, EFFECTIVE, CONSISTENT WITH NATIONAL POLICY AND POSITIVELY PREPARED?

Question 1: Is strategic Policy 37: Housing provision Sound?

a) Is the requirement for 13,212 homes between 2023 and 2040, below the local housing need for the area as determined by the standard method justified? Is it clear how the figure has been calculated and should this be explained more clearly in justification text?

- 2.1 The NPPF is clear that *“all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area”* (paragraph 11 a) and that *“strategic policies should, as a minimum, provide for objectively assessed needs for housing”* (paragraph 11 b, our emphasis).
- 2.2 Whilst we acknowledge the plan is being examined under the NPPF September 2023, Angela Raynor’s Written Ministerial Statement (30 July 2024 Building the homes we need) is a statement of Government policy that should be given full weight in the plan making process. In that statement Government is clear on its *“plan to build the homes this country needs”* and that *“we are in the middle of the most acute housing crisis in living memory. Home ownership is out of reach for too many; the shortage of house drives high rents; and too many are left without access to a safe and secure home”*. HDC’s current draft plan will only worsen this existing situation by not planning to meet the level of housing need identified.
- 2.3 The standard method for Horsham District Council (HDC) is 911 dwellings per annum, which over the 17 year of the plan period (for this response we will assume the Council’s plan period remains although note our concern that this covers a 14 and not 15 years period from adoption) equates to 15,487 and therefore, as the plan sets out there is a shortfall in the provision of housing that is not justified.
- 2.4 In the Written Ministerial Statement the Government’s confirms that *“the standard method is used as the basis for determining local authorities housing requirements in all circumstances”* and is clear that *“needs cannot be met without identifying enough land*



through local plans". This is precisely our concern in this instance. The Council are not meeting the identified need, which we note is significantly lower than the figure the New Government will be requiring. HDC is hiding behind water neutrality as a reason not to allocate sites to meet their own needs. But if sites are not allocated to meet this need it will never be met or have the opportunity to be met.

- 2.5 There is no justification to not meet housing need on the basis of water neutrality, policy 9 of the plan adequately deals with water neutrality, enabling development to be water neutral either through HDC's scheme (SNOWs) or through individual approach, but also recognises the need for water neutrality may fall away, in which case neither approach would be required.
- 2.6 By failing to plan for the required growth the plan is failing to ensure the water companies are planning adequately to meet the needs of that development.
- 2.7 The Council has included the Kilnwood Vale appeal decision APP/Z3825/W/23/3333968 (dated 30 July 2024) in their submission material to the Examination (reference HDC04). This appeal focused on issues in relation to water supply and uses and increased water demand as a result of new development and we reference here for that very reason.
- 2.8 Whilst no doubt the Inspector will have read through the material, we highlight below our key takeaways of importance to the Examination of the Local Plan. In particular, the Inspector's conclusion in regard to the Water Supply Regulations and Southern Water's Water Resource Management Plan (WRMP).
- 2.9 In summary, it is our understanding taken from the Inspector's report that a WRMP has to be prepared every five years by South Water (paragraph 7.67). As a statutory plan it must be accompanied by a Habitat Regulation Assessment (HRA). It's HRA will need to demonstrate that the WRMP will not harm protected sites (paragraph 10.59). The WRMP is due to be published this year (indeed there is a draft that has been published by Southern Water for consultation which runs until 4 December 2024).
- 2.10 In addition, the EA is carrying out a Sustainability Review of the Hardham, near Pulborough, abstraction licence (paragraph 7.65) which is expected to report in 2025



(abstraction at Hardham having been identified as a cause of the issues in regard to the impact on protected sites). Whilst the conclusions of the report are not known, clearly the licence to abstract water from Hadham is impacting protected sites and it is likely the WRMP will need to consider the revoking of the abstraction licence at Hardham and plan for alternative source of water supply.

- 2.11 Southern Water and the Environment Agency both have a statutory duty to provide water supply and avoid adverse impacts on protected sites. The Inspector is clear that *“the Secretary of State is entitled to assume that the regime under the Water Supply Regulations will operate effectively”* (paragraph 10.71). HDC should do the same. It is clear work is underway to ensure they meet this duty and as such HDC’s plan should take a positive approach and meet its need and considered where it can accommodate the need of neighbouring authorities and not use water neutrality as a reason to not plan for the development needed.
- 2.12 The Inspector’s report also confirms an alternative abstraction point at Weir Wood that could become operational by the end of March 2025 (paragraph 10.71). The degree to which can be used to serve new growth is not certain but at this stage cannot be discounted as an option. Ultimately, there are other options from which portable water for North Sussex can be sourced.
- 2.13 Whilst there is no certainty at this stage, and ultimately the appeal Inspector / Secretary of State concluded these reviews and revised plans did not provide sufficient certainty for the planning appeal in question to pass the HRA, at this point in time, for the local plan, it is a different matter.
- 2.14 Policy 9 provides a framework for individual proposals to pass the HRA, through a variety of options, including use of SNOWs, bespoke approaches and acknowledging that water neutrality requirements may fall away. Indeed, the Sussex North Water Neutrality Study Part C – Mitigation Strategy Final Report acknowledges in section 6.5 that there is *“room for development to find their own offsetting options, or for a third-party market led scheme to be implemented alongside the LPA scheme”* paragraph 202.



- 2.15 This position is repeated in the Sussex North Water Neutrality Study Part C – Mitigation Strategy Final Report December 2022 (Examination reference CC11) which confirms that once Southern Water can provide an alternative water source to replace groundwater abstraction at Pulborough the water neutrality scheme will not be required (page x, executive summary). It is our view that this could happen early in the plan period.
- 2.16 There is no reason for HDC not to include sites in the plan to meet housing need on this basis. Policy 9 provides the ability to deliver the housing needed in the district.
- 2.17 In his conclusions, the Appeal Inspector confirms how the HDC should approach the issue:
- “Planning Practice Guidance says that planning for the necessary water supply would normally be addressed through strategic policies. Water supply resulting from planned growth can then be reflected in the WRMPs produced by the water companies. This points towards a co-dependence between the town and water planning regimes, with local plans identifying planned growth and water companies planning for supply based on it. It also reflects the principle that water supply should not normally be a general consideration in development management decision making.”* (paragraph 10.43, our emphasis).
- 2.18 This supports our view that HDC must plan for its needs. Without that approach the water companies will not be able to plan to meet water demand of those needs. It is imperative the Local Plan is positively prepared, to meet HDC’s need and that of neighbouring authorities to ensure the WRMP can properly plan for the growth required.
- 2.19 By hiding behind Water Neutrality, HDC are failing residents of the district, in failing to ensure their needs for a home are met and accommodated.
- 2.20 As such the approach to meeting housing need is not justified. There is an alternative, to allocate sites in the plan and require them to produce their own water neutrality



strategy if required, if water neutrality remains an issue at the point of consideration of a planning application for a project.

- 2.21 The plan looks fifteen years into the future, and it could be expected that within those timescale alternative solutions to water neutrality come forward.
- 2.22 HDC would then find themselves in a scenario where development could be delivered but hadn't been planned for and therefore wasn't plan-led.
- 2.23 The NPPF is very clear on this approach, confirming that *"the planning system should be genuinely plan-led"* (paragraph 15). This position continues to be confirmed by Government. The message is very clear that appropriate sites should be allocated to meet housing need. As it stands the plan fails to meet housing need and the justification for this approach is flawed. For planning and development decision in Horsham to be genuinely plan-led during the plan period, the plan needs to accommodate sufficient growth to meet local needs and consider meeting needs of neighbouring authorities irrespective of the water neutrality position as there are several solutions to that which will not prevent long term delivery of the homes required.

Windfall

- 2.24 The NPPF allows Local Planning Authorities to include windfall delivery in their supply calculations, there are required to have *"compelling evidence that they will provide a reliable source of supply"* (paragraph 71). The Council are relying on approximately 120 dwellings from windfall sources from year 4 to 17 of the plan period, so 1,680 in total. If windfall sites fail to deliver that would further reduce the number of dwellings delivered in the plan period potential to as low as 11,532, resulting in an unmet need of 3,995 households.
- 2.25 HDC justify the position in regard to historic trends, however these historic trends do not provide data to justify the position due to the implications of water neutrality in recent years impacting submission of planning application and delivery of new homes.
- 2.26 It is difficult to predict the precise impact on windfall sites, but it is our view that windfall sites due to their nature, will find delivery of water neutrality more challenging, through



additional costs and delay, whilst greenfield or strategic sites may be better placed to deliver bespoke solution, particularly if sites are given certainty, through allocations in the plan, to invest in water neutrality solutions.

b) Would the adverse impacts of the Plan not providing for objectively assessed housing needs significantly and demonstrably outweigh the benefits of doing so when assessed against the policies in the NPPF taken as a whole? Is the overall housing requirement justified?

2.27 The adverse impacts of not meeting the housing need is that at the end of the plan period there will be at least 2,275 households extra who do not have a home. The words of Nagela Rayner spell these issues out, highlight the acute housing crisis where *“too many are left without access to a safe and secure home”* (WMS 30 July 2024). The current draft plan will do nothing to rectify this ‘acute’ position and only exacerbate it. Leaving individuals and families without access to safe and secure housing having a considerable negative impact on society and consequently the economy.

2.28 The plan is not meeting this need in the interests of water neutrality. The approach is not justified. As set out previously, policy 9 provides a solution that would inevitably result in zero harm in this regard.

2.29 The plan will do irrevocable damage to society and consequently the economy, by failing to meet housing need. There is no benefit from the approach, as policy 9 provides protection, no matter on the level of growth. There is no justification for exacerbating the ‘acute housing crisis’ in this country.

c) With reference to evidence, are the stepped annual requirements justified (in principle and scope of the step)?

2.30 The stepped annual requirements are not justified. It may be the position that stepped annual requirements are justified where a Local Planning Authority is relying on a few large very sites and very limited other forms of development to deliver the growth. However, this is not the case in this instance.

2.31 The plan includes three sites that are identified as *“already permitted or have been allocated in ‘made’ neighbourhood plans, including previously allocated strategic sites”*



and from the intensification of land north of Horsham, which is already being built out. Therefore, those sites at least should be capable of delivering housing within the first part of the plan period and in the Land North of Horsham example, as the developers are already on site, this should not face the complexities large sites, starting a fresh may.

- 2.32 Notwithstanding the existing allocations / permissions rolled forward, there are a range of allocations of smaller sites which will not have the complexities of deliver that larger sites do and will be able to move forward reasonably early in the plan period, along with a contribution from windfall sites.
- 2.33 Taking those sites into account, even based on the Council's lower housing number and annual requirement of 777, in the first five years of the plan period 3,885 dwellings will be required. The existing allocations amount to 3,675 dwellings. Small sites equates to 1,795, assuming a third will be delivered in the first five years of the plan, that would be an additional 599 dwellings, and then there would be a windfall element of around 240¹ dwellings (two years of the Council's predicted windfall).
- 2.34 We note that water neutrality has help back the determination of planning application, but once a solution or approach is agreed then pent up demand will be realised and schemes should come forward quickly having been unnatural constrained.
- 2.35 Whilst Natural England's statement in September 2021 has held back delivery, there is the acute housing crisis. The government continued drive the need to deliver housing to meet local need. The plan needs to make a step change in housing growth to meet the long established need in the NPPF to significantly boost the supply of land to housing need (paragraph 60). The plan should take a positive approach and not plan to further limit growth but allocate more land for housing to ensure the annual housing need is met.

¹ We note windfall is expected to deliver from year 5 but that is on the basis that there are already sites with planning permission that will deliver homes in the interim period



2.36 HDC has failed to meet the Housing Delivery Test over the last three years, meeting only 67% of the requirement, and the Council is suggesting it will continue to failure to meet housing needs for a further five years. This is not a positive approach to the provision of land for housing and does not accord with national policy. The plan needs to accommodate a step change in delivery to re-address this position and should be looking to do so from the very outset.

2.37 In this instance, there is no reasonable justification for the stepped trajectory.

d) Is the approach to the shortfall (the Liverpool method) justified?

2.38 Spreading the shortfall over the plan period is not justified. As demonstrated in response to question c) there is a range of sites that can meet the housing need and therefore the shortfall should not be held back to the alter part of the plan period.

2.39 Further sites should be allocated in the plan in order that they can process water neutrality solution and deliver housing to address the unmet need early in the plan period and in accordance with the Government's imperative to significantly boost the supply of new homes to meet needs. The plan fails in this regard.

2.40 The approach is not justified. The vision for HDC states *"Our District is a great place to live and everyone deserves to benefit. We'll provide help in tough time and build communities where people can flourish and have fun"* – however, if housing needs are not met, then not everyone can flourish. Ultimately in a market economy it will be the poorer elements of society who suffer the consequences, a grossly unfair scenario that the plan is exacerbating. This position needs to be reversed to achieve the aim of the vision. Housing need must be met. The plan needs to be positively prepared to ensure the unmet need and future need is addressed form the outset of the plan period.



MATTER 8, ISSUE 2 – WHETHER THE OVERALL HOUSING LAND SUPPLY AND SITE SELECTION PROCESS IS JUSTIFIED, EFFECTIVE, CONSISTENT WITH NATIONAL POLICY AND POSITIVELY PREPARED?

Question 1: Were the proposed housing allocations selected on the basis of an understanding of what land is suitable, available, and achievable for housing in the plan area using an appropriate and proportionate methodology, and are there clear reasons why other land which has not been allocated has been discounted?

- 2.41 We do not agree with the site selection methodology. Paragraph 2.13 of the Site Assessment Report part I, confirms that sites full located in the AONB / National Landscape, SSSIs and irreplaceable habitats were considered not suitable and excluded from further assessment. This is not a sound approach as there maybe sites, for instance within the National Landscape, that are capable of delivering growth without harming the visual amenities of the area.
- 2.42 Horsham is the most sustainable town in the district. To the east the town is boarded by part of the High Weld National Landscape, which if the Council’s approach is taken, will constrain growth and push development towards other potentially less sustainable locations. However, the landscape here is heavily influenced by the urban edge of settlement location and there are parcels of land that are well contained by existing landscape features that would enable development without harm to the National Landscape and should therefore not have been ruled out on a technicality.
- 2.43 There should be clear site-specific reasons for discounting sites from the assessment as opposed to a broad-brush approach.
- 2.44 Indeed, whilst the NPPF sets a high bar, it does not discount development in National Landscape (AONB) in its entirety, stating that *“when considering application for development within National Parks, the Broads and Areas of Outstanding Natural Beauty, permission should be refused for major development other than in exceptional circumstances, and where it can be demonstrated that the delivery is in the public interest”* (paragraph 177) and notes consideration should be given to the need for the development and any detrimental effects, including the extent to which they can be moderated.



- 2.45 The site assessment does not take this exceptional position into account and so excludes, without considering in detail, areas of the National Landscape on the edge of Horsham that can accommodate growth without detrimental impact.
- 2.46 In this regard the plan is not justified as it has failed to take into account reasonable alternatives in the approach to site selection.

Question 3: The Plan does not appear to provide land to accommodate at least 10% of the housing requirement on sites no larger than one hectare as required by paragraph 69 a) of the NPPF, why?

- 2.47 The Council will need to explain the approach themselves to the Inspector. We note modification refers to the rural nature of the district. That provides no justification for not meeting this requirement. A significant number of authorities contain rural areas and if it were the Government's intention that more rural authorities should not be required to allocate small site, the NPPF would have been clear on this position. It is not. It requires strong reasons why this can't be achieved. The rural nature of the district is not a unique reason, which weakens the councils' case considerably.
- 2.48 The NPPF recognises that small and medium sites are "*often built-out relatively quickly*" (paragraph 69), given HDC considerable under delivery over the last three years and predicted under-delivery moving forward, it is imperative the plan allocates a "*good mix*" of sites, including small sites under one hectare to ensure the early delivery of housing to meet local needs (paragraph 69).

Question 4: Criterion 5 of the Strategic Policy 37: Housing provision states 1,680 dwellings are anticipated to be deliver over the plan period from windfall sites? What is the compelling evidence this will be a reliable source of supply? Is this windfall allowance realistic and justified?

- 2.49 There is no compelling evidence to demonstrate that the windfall allowance will be achieved.
- 2.50 Firstly, given the plan does not meet the objectively assessed need, any reduction in supply becomes even more critical as there will be even more families left homeless by the end of the plan period.



- 2.51 Whilst by its very nature windfall is difficult to predict, it is our view in this instance the Council has not fully considered the implications of water neutrality on windfall delivery. Either this is because they are convinced a solution will be arrived at imminently between Southern Water and the Environment Agency as discussed above or that is because they are overly reliant on windfall to help meet needs.
- 2.52 In HDC's case they cannot argue that historic trends justify a reliance on windfall as the historic trends do not fully demonstrate the implications of National England's Position Statement regarding water neutrality.
- 2.53 Given the position of the plan, it is our view that the plan should take a more positive and effective approach, allocating sites to deliver housing, with policy 9 enabling development proposals to find their own water neutrality solution or through use of SNOWs. This will give developments and landowners the confidence to move forward with water neutrality solutions. However, relying on windfall schemes simply does not provide this certainty for development and the council alike.

Question 5: What is the housing requirement for the first five years following adoption of the plan and what buffer should be applied? Would the Plan realistically provide for five-year supply of deliverable sites on adoption? Is a five-year supply like to be maintained thereafter?

- 2.54 We do not think the plan currently realistically provides for a five-year supply of deliverable sites. We have reviewed the Council's Housing Supply Topic Paper and raise the following concerns as to how the HLS has been calculated:
- 2.55 As set above we do not think a stepped trajectory is appropriate and therefore the five-year housing land supply would need to be calculated on HDC annual requirement.
- 2.56 The five-year supply includes site allocations in 'Made' Neighbourhood Plans, Local Plan Strategic sites and Local Plan 'Smaller site Allocation where there is no permission or only outline permission in place and sites with outline permission for 10 or dwellings' and windfall development. These sites would not automatically meet the tests of delivery set out in the glossary of the NPPF and the evidence available should be very carefully considered in determining whether they should be included in the supply.



- 2.57 We have commented on windfall sites above and questioned the reliance on historic trends that do not fully reflect the impact of Natural England's position statement on Water Neutrality.
- 2.58 We do not agree with the Council's position that the Liverpool method should be used to spread the deficit from the first two years of the plan period over the whole plan period. This is unmet need that has not been delivered now, those 330 homes should be spread over the next five-year period in accordance with the Sedgefield approach. The Sedgefield approach is much more in accordance with the NPPF / Government's aim to 'significantly boost' the supply of land to meeting housing need and more aligned with the Government's approach to housing delivery, outlined in the WMS of the 31 July 2024.
- 2.59 We agree that it is appropriate to use a 20% buffer as the housing delivery test for 2020/21, 2021/22 and 2022/23 show HDC has only met 67% of its housing requirement, or a deficit in three years of 846 dwellings. That deficit from the past three years, complied with the predicted deficit for the next five years (table 5 of the Housing Supply Topic Paper) demonstrates considerable under delivery that should be addressed as early as possible in the plan period.
- 2.60 The HLA statement assumes a base date of April 2025. However, we think this is unrealistic and the HLS should be calculated from a later date in 2025, as it is more likely adoption will be beyond April 2025, given hearing sessions extend into January 2025 and the Council has asked the Inspector to suggest major modifications to the plan which will need to be consulted on and may result in further hearing sessions.
- 2.61 If the base date is rolled forward a year the deficit would increase by 306 dwellings (based on the Council's own evidence, table 5 of the Housing Land Supply Topic Paper). So there would be an under delivery of 634 dwellings in the first three years of the plan period. If that was spread over the remaining fifteen years that would be an additional 212 dwelling required in the five-year supply or if it was distributed over the five years of the plan period it would be an additional 127 homes per year.



2.62 In conclusion, we would anticipate that the as a result of the comments above the Council will not be able to demonstrate a five-year supply at the point of the adoption of the plan and will fail the requirement to do so out set out in the NPPF.

MATTER 8, ISSUE 3 – WHETHER THE OTHER HOUSING POLICIES ARE JUSTIFIED, EFFECTIVE, CONSISTENT WITH NATIONAL POLICY AND POSITIVELY PREPARED?

Question 2: Is strategic policy 39: Affordable Housing sound?

2.63 The approach is not sound. Reference is included to sites that have capacity for the dwellings, but the NPPF is clear it is sites that are major development, i.e. deliver 10 or more dwellings. The capacity of the site can vary and depend upon requirements. It is not clear how the Council will determine if a site has capacity for 10 dwellings and this could cause uncertainty and unnecessary delay.