

## **Inspector's Matters, Issues & Questions (MIQs)**

### **Matter 1 – Legal and Procedural Matters**

- 1.1 This Matter Statement has been prepared on behalf of Wates Developments Limited (Wates) in response to Matter 1, specifically issue 2, question 4 (Sustainability Appraisal).
- 1.2 Wates has interests in the District across 5 no. sites as set out below, and has submitted representations at earlier stages of Plan preparation at the Regulation 18 and 19 consultations:
  - Land west of Worthing Road, Tower Hill, Horsham (Southwater Parish)
  - Land west of Centenary Road, Southwater (Shipleigh Parish)
  - Land east of Marringdean Road, Billingshurst
  - Land west of Shoreham Road, Small Dole (Henfield Parish)
  - Land north of Melton Drive, Storrington
- 1.3 Two of the above sites are allocated for residential development in the Submission Plan these are:
  - Land west of Shoreham Road, Small Dole (Strategic Policy: HA16 (SMD1))
  - Land north of Melton Drive, Storrington (Strategic Policy: HA18 (STO1))

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

#### ***Sustainability Appraisal***

#### ***Question 4 – 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? Where it is considered that there are no reasonable alternatives, relating to all policies in the Plan is this clearly explained?***

- 1.4 No. The SA does not assess any reasonable alternative levels of housing growth following the constraint imposed by the water neutrality issue. The Council appears to treat the water neutrality issue as having rendered the previous range of growth options assessed as being not reasonable alternatives but has then failed to assess a range of reasonable alternative level of housing growth, factoring in the impacts of the water neutrality issue. Moreover, the SA has not sought to explain why it has treated the proposed housing requirement (of 13,212 homes in total) as being the only reasonable alternative; nor what mitigation has been considered to ensure that any shortfall in meeting housing needs will be minimised.
- 1.5 As acknowledged within our Regulation 19 representations, the SA which informed the Regulation 18 version of the Local Plan assessed three options which varied between 1,000 and 1,400 homes per annum which could be delivered in a variety of spatial options (6 in total). Subsequently, the draft Regulation 19 SA assessed two further options (of 1,600 and 1,800 homes pa were assessed). This meant the SA originally assessed a range of reasonable alternative growth options from 1,000dpa (16,405 homes in total) to 1,800dpa (30,600 in total total)(p52, Fig 4.1, SD03a)

- 1.6 The Council originally decided to progress with a housing target of 1,100 new homes per year as the preferred approach as it was felt that this balanced a positive outcome for housing and the economy with the need to protect and enhance the environment (Paragraph 4.16, SD03a). This selected option therefore fell within the range of reasonable alternative options assessed. It also illustrates that, were it not for water neutrality issues, the District would be able to deliver a quantum of development that not only met its full needs (as derived from the standard method) but also make a meaningful contribution to meeting unmet need from elsewhere.
- 1.7 The impact of water neutrality on growth in the District is discussed by the SA at paragraph 6.40 and it is noted at paragraph 6.41 that future growth is restricted to what Southern Water's Water Resources Management Plan (WRMP) and the local authorities' offsetting scheme (i.e. SNOWS) can in combination support. As is more fully explored in our Matter 3 and 8 Statements, this seemingly ignores the potential for housing delivery which is supported by of bespoke developer led offsetting schemes.
- 1.8 Paragraph 6.47 of the SA states that the housing trajectory (published in January 2024, H08) *"arrived at by the Council provides evidence that realistically the amount of housing that can be supported over the 17-year Plan period is 13,212 homes"*. It will be noted that this level of growth fell outside (and significantly below) the reasonable alternative levels of growth previously assessed within the SA process. Other than references to the fact that this level of growth is 'similar' to that assumed in the WRMP we are not aware of any evidence that supports this figure, other than it is derived from the Council's trajectory. The Council later updated its housing trajectory in September 2024 (HDC03) with a slightly increased housing supply of 13,412 homes over the Plan period with a different stepped trajectory, illustrating that the 13,212 homes figure is not a ceiling in the current context.
- 1.9 Ultimately as set out in paragraph 6.48 it is stated by the SA that *"the weight of evidence supporting a constrained quantum has limited what could be considered reasonable alternatives for growth"* (until such time as there is a permanent solution to water neutrality). As we understand it therefore, the Council has therefore ruled out the previous alternatives assessed (1,000dpa to 1,800dpa) as no longer being reasonable alternatives. And whilst it is clear that the Council has treated the water neutrality issue as constraining housing supply the SA has neither: (i) sought to assess any reasonable alternatives having regard to the constraints on housing growth (such that they are); nor (ii) sought to justify why the preferred strategy for housing growth (777dpa /13, 212 homes in total) is the only reasonable alternative in light of the water neutrality issue.
- 1.10 Furthermore, within the mitigation section of the SA (section 8.4) there is no assessment or details around how any shortfall in meeting housing need could be minimised or addressed. Indeed, we note that, in the chapter of the SA concerning mitigation, in respect of SA1: Housing, the SA (Table 8.2, p182) still states that Policy 37 will *"delivery...a significant number of homes which would meet the objectively assessed need for the District and contribute to housing need in the surrounding local areas"* which is factually incorrect. We give one example of potential mitigation in our Matter 2 Statement, where we indicate how Strategic Policy 3 could be amended to allow *appropriate* non-allocated sites to come forward on edge of settlements where they have their own solutions to the water neutrality issue. This would avoid 'baking in' the constrained housing supply that the Council has chosen to adopt purely on the basis of the water neutrality issue.

- 1.11 In light of the above, the SA does not provide a clear explanation, and certainly no justification, for the level of preferred housing growth promoted i.e. 13,212 homes / 777 homes pa as opposed to a higher figure which is at, or nearer to, the standard method figure of 917 homes per annum. The updated housing trajectory alone would suggest a slightly higher number is indeed achievable. The SA also does not provide an explanation on why no reasonable alternatives to that level of housing were considered (even if it was concluded that the water neutrality issue justified a different range of alternatives being tested compared to those originally tested).
- 1.12 In particular, there is no explanation of how the 13,212 homes / 777 homes pa figure was arrived at (e.g. having regard to the capacity of SNOWs, and any potential medium-long terms solutions) with the only reference being at para 6.47 that this was similar to that assumed by the WRMP which we take to be the figure set out in Table 6.1. There is also no reference to what options or scenarios were considered (if any) for a higher level of housing growth, having regard to sites which may not need to rely on SNOWs, for example those with boreholes. Nor is there any consideration of how any shortfall in meeting housing needs can be minimised.
- 1.13 On this basis, we consider that there is an absence of reasons (or an absence of adequate reasons) within the SA ruling out any reasonable alternatives to the proposed growth figure and indeed the selection of the 13,212 homes / 777 homes pa figure as the preferred alternative.
- 1.14 As explained in our Matter 8 statement, we consider that the issues concerning an unjustifiable housing requirement can be addressed as part of the main modification process, at which point an SA update, remedying the deficiencies outlined above, and informing selection of the appropriate housing growth option (as well as the allocation of any further sites to meet any increase in the housing requirement) could also be undertaken.