

Horsham District Planning Framework (HDPF) examination

Inspector's initial findings

Introduction

1. Following the hearings held between 4 and 19 November into the soundness of the HDPF (the Plan), I set out below my initial findings on the duty to cooperate (DTC), general strategy, and housing needs and supply. I also give a summary of my preliminary findings on the soundness of the two main allocated sites and discuss briefly the proposal that Plan should provide for the 'Mayfield Market Town'. These findings are published now to ensure that the Examination proceeds in the most efficient manner. In essence, I consider that the Council has not properly identified the correct level of housing need over the Plan period and consequently needs to modify the HDPF to show how the additional requirements for housing can be met. I suggest a way forward through the suspension of the examination for six months to enable the Council to address this issue by undertaking further work.

Duty to cooperate

2. 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. 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 housing 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.
3. 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 DTC legal requirement just over a year ago. 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.

Overall Strategy

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4. 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. The proposal for some development in villages, in accordance with Neighbourhood Plans (NP)s, is also justified and accords with government policy in the National Planning Policy Framework (NPPF). As will be explained in some more depth in my final report, the alternative strategy of greater dispersal 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. The proposal for a new 'market town' is put forward as an addition to the development already proposed in the HDPF; I deal with this briefly below.

Housing needs and supply

Housing need

5. However, I have found an important shortcoming in the HDPF with regard to housing provision. In essence the Council has failed to justify the identified level of housing need and therefore has not addressed the implications of providing for the correct level of need. The NPPF requires Local Plans to make every effort to meet the full objectively assessed need (OAN) for market and affordable housing in the Housing Market Area (HMA), as far as is consistent with the policies in the NPPF.
6. A significant problem with the evidence base for the HDPF is the absence of a SHMA in conventional form. The North West Sussex SHMA (CD/H/04), updated in October 2014, primarily addresses affordable housing need. The overall assessment of need is found in the Locally Generated Housing Needs Study (LGHNS), updated in September 2012. Consequently, the LGHNS does not use the latest 2011-based CLG household projections figure of 696 dwellings each year (dpa) as a starting point, contrary to the advice in National Planning Policy Guidance (NPPG). In itself this failure is not necessarily fatal to the process of assessment, since these figures published in 2013 are interim projections for 10 years only, but I have serious concerns that the Council's estimate of need does not properly reflect the most recent data available.
7. The 2012 LGHNS indicates required annual housing numbers for 10 different scenarios ranging from 186 - 'zero net migration', though 456 - 'zero employment growth', 596 - 'predicted successful repositioning of the local economy', to 767 - 'assuming total employment growth of 8,670 jobs between 2011 and 2013'. In the conclusions of the LGHNS an annual housing target of 675-680 is suggested to provide for employment growth projected in the Cambridge Econometrics scenario of 6,200 jobs over the 20 year plan period. Other projections based on 10 and 5 year migration trends reflect and carry forward past employment growth rates equivalent to 2,620 and 3,500 jobs respectively. At 583 pa, the 5 year migration trend projection is just below 600 dpa, a figure several objectors considered to be a good starting point for a housing needs assessment.

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8. Other forecasts from objectors estimate housing needs in Horsham to be much higher, ranging up to about 1100 pa. These are partly explained through the application of different headship rates, the decline in which has levelled off somewhat since 2008. In Horsham, an area with no apparent significant changes in the rate of international immigration, changes to headship rates are more likely to be affected by changes in the propensity to form new households, particularly among young adults. While this may revert to an increasing trend in the longer term (and thus lower household sizes) recent national figures show little sign of improvement in average real incomes (and thus affordability of housing). The LGHNS uses a balanced approach between recent and long term trends, comparable to an indexed approach to predictions of headship rates, which I consider prudent, rather than an immediate return to pre-recession levels of household formation.
9. The NPPG (2a-019) recognises that various factors may require some adjustment to be made to demographically-modelled household projections, such as employment issues, affordable housing needs, and market signals. The latest employment forecasts for the District are set out in the North West Sussex Economic Growth Assessment (EGA) dated April 2014 (CD/ED/2). This indicates a baseline expected job increase of 445 pa, totalling 8,890 from 2011-2031 (table 7.8). The most closely aligned housing projection of the LGHNS (no 10 SEEPB-CE with commuting) indicates a need for 767 dpa. This would be a significant increase on the employment growth forecast in the earlier NW Sussex Economic Appraisal, (October 2010) – CD/ED/01. The figure of 445 jobs pa also represents a very significant increase on historic job growth between 1997 and 2013, of 273 jobs pa. As the EGA acknowledges, the projected increase in total B class jobs could be regarded as optimistic based on past performance. The proposed Business Park at North Horsham may provide another 3,000 or so Class B1 jobs but the HDPF does not allocate any other major employment sites, including any major new manufacturing sites for projected growth in this sector.
10. Employment forecasts should be treated with caution and I have some doubts that there is a real need in Horsham District for job growth at the baseline rate predicted in the EGA. Nevertheless, the NPPF requires positive planning to meet employment needs and the forecasts are the most recent available. Some increase on the figure of 600 dpa to reflect aspirations for an increased rate of job growth appears reasonable. I consider the discrepancy between the Council's employment and housing projections is a significant flaw in the evidence base and the justification for the housing figure, which in practice appears not to be aligned to any employment forecast.
11. The figures set out in the various projections contained in the LGHNS should indicate a range of expected housing needs at the time of calculation, taking into account through population projections and applied headship rates any past shortfalls in provision against South East Plan (SEP) targets. Similarly, the overall total should take full account of affordable housing needs. The affordable housing update in the 2014 SHMA indicates a minimum requirement for 225 dpa. It would not necessarily be appropriate to increase the amount of market housing to deliver more affordable housing, depending on other policy responses which

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may be available to the Council, but it would be an advantage of increased overall provision, to which I refer below.

12. With regard to market signals, Horsham has been part of a HMA with affordability issues for many years. These do not appear to be worsening however; house price rises appear to have been similar to but just below the national rate. Delays in development rates at two major allocations at Kilnwood Vale and West Horsham appear to follow general patterns after the recession in 2008, and were not solely related to the length of planning procedures.
13. However, the need to allow for shortfalls in housing provision at neighbouring authorities does indicate a compelling reason to increase housing targets. The recently published consultation draft of the Crawley Borough Local Plan 2015-2030 indicates that the Borough has a housing shortfall of about 200 dpa, due to the constraints of Gatwick airport, the High Weald Area of Outstanding Natural Beauty (AONB) and its tightly drawn administrative boundaries. As the Council accepts, Horsham is well placed to meet some of this need. Depending on the position of other Councils, particularly Mid Sussex, up to 100 dpa could be considered an appropriate allowance for the needs of Crawley.
14. Brighton and Hove City Council also is highly constrained and also suffers from an inability to meet its own defined housing needs. This lies in a different HMA to the south of the South Downs National Park. Whether the rural, southern part of Horsham District would be an appropriate or attractive location for those wishing to live in Brighton is hard to estimate with any accuracy. In the longer term, the possibility of a new settlement might have to be considered (see comments on the Mayfield Market Town proposal below) but some small allowance now might be prudent. As for the needs of London, I note that the Further Alterations to the London Plan (FALP) include a housing target of 42,000 pa compared with an estimated need of 49,000 pa. However, the Mayor's evidence to the recent examination of the FALP indicates with confidence that the shortfall of 7,000 dpa can be met within London's boundaries. There has been no indication from the Mayor that he is expecting the HDPF to meet any of London's current needs and in these circumstances no further provision is necessary.
15. I have found it difficult to draw all these points together to arrive at firm conclusions about a definitive level of housing need. However, the broadly consensual baseline figure of about 600 dpa incorporates an assumption of job growth at a rate of more than 175 pa. Assuming a realistic allowance for employment growth of an additional 100 jobs pa, together with an allowance to meet the needs of Crawley and possibly Brighton and Hove, as proposed in the submitted Plan, would increase the total to at least 750 dpa. An annual target in the range of 750-800 dpa would have the advantage of providing the opportunity to achieve the minimum required number of affordable homes, assuming provision at about 30%, bearing in mind the suggested minimum thresholds of 20% for sites with 5-14 dwellings and 35% for larger sites. The Council may wish to reconsider the lower site size limit in the light of a change to NPPG published after the examination hearings.

Meeting the need

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16. As already indicated, the NPPF states that every effort should be made to meet OAN, unless other policies indicate otherwise. Paragraph 14 requires an explicit balancing exercise in the terms it sets out. The Council refers to problems of environmental capacity; the Sustainability Appraisal (SA) supporting the Plan tested the effects of up to 730 dpa, which was considered to have significant impacts. From my site visits and the evidence about a range of topics and sites, I disagree. In planning terms, Horsham District is a large area unconstrained by designated green belt and the areas protected for biodiversity or landscape reasons, such as Sites of Special Scientific Interest (SSSI), Special Protection Areas (SPA), AONB are limited in extent. The Plan area excludes the South Downs National Park (SDNP). The evidence in the SA analysis of the cumulative impacts of 730 dpa compared with 650 dpa shows minimal difference. From looking at some of larger alternative/additional sites, there are no obvious general or particular landscape, ecological, highways or other infrastructure reasons to prevent a higher rate of development at about 750-800 dpa. I recognise, however, that it is for the Council to determine how to plan for and deliver an increased amount of housing, as I discuss below. Planning for a higher number of homes than 730 pa would require a revision to the SA, so that the full implications of a different housing strategy could be assessed, possibly together with an update or further SA with regard to specific allocated sites.

Housing supply

17. The current updated housing trajectory shows front loaded provision in the early years of the Plan period through existing committed sites and those under construction at present, such as the large schemes at Kilnwood Vale and West of Horsham. The developers of two strategic allocations in the Plan are keen to start delivering and have submitted or are intending to submit planning applications very shortly. There appears to be no reason to doubt the strong interest from a number of other developers including major housebuilders for additional housing sites to be allocated in the Plan, which, it was argued, would be deliverable over the Plan period.
18. Some of these sites are substantial proposals for at least 500 dwellings; others are below the site size threshold for allocation in the HDPF but might well be larger than the type of proposal envisaged in the category of 1,500 homes expected to come forward through Neighbourhood Plans (NPs). From the applications to commence NPs and the early evidence of sites that have already been suggested, I see no reason to question at this stage the potential delivery of 1,500 dwellings over the plan period. The contingency should this not occur is the commitment of the Council to produce a Site Allocations DPD in 2016. But some good sites may be available and developable in the short term now; the Council may wish to consider revising its strategy to include such sites as a means of meeting the shortfall of homes that I have identified, as well as considering sites capable of providing more than 500 dwellings.
19. The Plan allowance of 750 dwellings on windfall sites is relatively modest and justified by the evidence of past completions over a reasonable period that includes different market conditions. This is consistent with the analysis of brownfield sites, which appear to have been appraised thoroughly in the Strategic Housing Land Availability Assessment (SHLAA) and a subsequent update in July

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2014. Any significant increase in housing supply from this source is unlikely to be achieved without the undesirable loss of suitable and valuable employment sites.

Overall Housing Conclusions

20. I have concluded that the housing target in the HDPF should be increased to at least 750 dpa. The Council should therefore reconsider its strategy in the light of this higher dwelling requirement. Although I consider the two main housing allocations sound, as I discuss briefly below, it is for the Council to decide how best to revise its housing strategy. It would be inappropriate at this stage to comment on the merits and/or drawbacks of the other alternative/additional sites considered at the hearings, other than the MMT proposal, which is demonstrably different from all other schemes in terms of scale and, with regard to many other sites, potential timing of delivery.

North Horsham

21. From all the written and oral evidence submitted so far, including comments on supplementary studies in support of the North Horsham allocation, nothing has convinced me that the proposed allocation is not sound. In summary, the allocation offers the opportunity to provide housing, business development and social and community facilities at a sustainable location. The proposed development area below the wooded ridgeline to the north would not result in the loss of landscape of particularly high value. The site is visually separate from the High Weald AONB to the south west, the setting of which would be protected. There would be sufficient distance between the new development and the western edge of Crawley for the separate identities of both towns to be retained. 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 could be safeguarded through masterplanning at the detailed design stage. 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. 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.
22. The highway authority considers that there would be no adverse effects on the strategic road network that could not be mitigated satisfactorily. In addition I understand that West Sussex CC would seek improvements to the section of the A24 north from Great Daux roundabout that has a poor safety record. 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

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cycle access to Horsham town centre. Full bus services would be provided and supported for several years through a Section 106 obligation.

23. The developer of North Horsham was very positive about the prospects for deliverability and viability of the Business Park element of the allocation, given its location on the strategic road network and the potential for good rail access. 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.

West of Southwater

24. 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 around 500 dwellings could be well integrated with existing housing. The development would provide support to local shops and services.

Mayfield Market Town (MMT)

25. 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. 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 quite probably 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.
26. 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. At present, to my mind significant concerns have been raised 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. 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. 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.

The Way Forward

27. I recognise that my preliminary conclusions will be a disappointment for both the Council and a number of objectors, but I consider the Council needs to undertake more work to accommodate a higher level of new housing than that proposed in the submission plan. I believe the Plan is not sound as it stands and it would be contrary to the aims of the NPPF to let it progress to adoption without significant changes.
28. In the circumstances I consider the best way forward is to suspend the examination while the Council reviews its current position and identifies how to meet the level of housing need that I have identified. I would welcome advice from the Council on a future programme, incorporating if possible the advertisement of main modifications and full public consultation within six months. Without being firmly prescriptive, it seems quite likely that it will be necessary to hold a further hearing session to consider the modified Plan in early summer next year. In the meantime, given the existing housing commitments and large new sites now coming on stream, I expect that the Council would be able to show that it has a five year supply of housing against a revised minimum target of 750 pa.

Geoff Salter

19 December 2014