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SOUTHWATER NEIGHBOURHOOD PLAN – STATUS UPDATE AND REVIEW OPTIONS

Executive Summary

This report provides an update on the status of the Southwater Neighbourhood Plan (SNP) and sets out options for its review in light of recent changes. Since adoption in 2021, significant external factors — including changes to national policy, water neutrality requirements, and the failure of Horsham District Council's Local Plan — have reduced the Plan's effectiveness. Two options are available: (1) complete the current Material Modification (Partial Review); or (2) undertake a full review including housing allocations. Based on the current context, a full review would provide stronger long-term protection for the Parish under paragraph 14 of the NPPF.

Given the ever-changing state of the planning policy context, this is a working document subject to change.

1. Background

The Southwater Neighbourhood Plan (SNP) was formally made by Horsham District Council (HDC) on 23 June 2021 following a successful local referendum. The Plan forms part of the statutory development plan for the area and provides locally specific planning policies that help shape development within the Parish.

The SNP was prepared in conformity with the Horsham District Planning Framework (HDPF, 2015) and has provided Southwater with a strong degree of control over local development. Amongst other things, it established policies on design, landscape protection, community facilities, and local housing needs.

Since adoption, there have been material contextual changes at both national and local levels, including:

- The Government's changes to paragraph 14 of the National Planning Policy Framework (NPPF) (December 2023) which extended the period of neighbourhood plan protection from three to five years where certain conditions are met.
- The ongoing issue of water neutrality within the Sussex North Water Supply Zone, which has placed constraints on new development and drastically reduced the number of homes coming forward.
- The potential withdrawal of HDC's emerging Local Plan following the Inspector's Interim Findings in April 2025, which concluded that the draft plan could not be found sound in its current form.

- The Inspectors decision regarding 800 homes at the Horsham Golf and Fitness site, and subsequent clarifications via an attempted Judicial Review.

Southwater Parish Council (SPC) began Material Modification (Partial Review) of the SNP in 2023 to update policies and ensure continued relevance, particularly considering national planning reforms and the water neutrality position. A high level timeline is set out below for reference:

Date	Event
Aug-Sep 2022	SPC ran a consultation with local groups and organisations who may use the plan and policies contained within on a regular occurrence, between 24 th August and 5 th September 2022. The consultation was undertaken via an online questionnaire which asked respondents to rate each policy from 1-10 and then make any additional comments. The 4 poorest performing policies were identified as SNP1, SNP7, SNP14 and SNP18.
Jan-Mar 2023	SNP ran a subsequent consultation with the community between 31 st January and 10 th March 2023. The consultation was undertaken via an online questionnaire which asked respondents to rate the 4 poorest performing policies from 1-10, it then asked respondents to explain their answers, and then asked specific questions relating to the policies themselves.
Apr-Nov 2023	The plan was updated, and an updated version of the SNP was submitted to HDC for initial comment.
Jan 2024	HDC advised SPC of NPPF changes extending para.14 protection to 5 years, this meant that the plan now benefitted from NPPF para 14 until 23 rd June 2026.
Mar-Aug 2024	SPC repeatedly sought comments from HDC; HDC confirmed delays due to Local Plan workload. HDC issued feedback confirming it could not progress the SNP review while focusing on the emerging Local Plan.
Dec 2024	Local Plan examination halted; Inspector raised serious concerns over soundness.
Apr 2025	Inspector's Interim Findings Letter recommended withdrawal of the emerging Local Plan.
Jul-Sep 2025	HDC prepared Cabinet report recommending withdrawal; but plan not withdrawn.
Aug 2025	SPC and HDC met to discuss next steps for progressing the SNP review.

2. External Factors

The most notable recent decision is the Horsham Golf & Fitness appeal (800 dwellings), where the Inspector allowed the appeal primarily due to HDC's lack of a five-year housing land supply (estimated at only one year).

Key implications for Southwater include:

- The Inspector gave substantial weight to the district's housing deficit, overriding paragraph 14 and neighbourhood plan policies which would normally restrict large-scale housing outside settlement boundaries.

- The appeal decision sought to apply the current methodology to establishing the housing requirement figure to the previously adopted plan – rendering the plan out of date despite the fact it was within its initial 5 years. Whilst Counsel advised SPC that aspects of the Inspector’s reasoning could be challenged, it was considered on balance that the housing supply shortfall meant that a Judicial Review (JR) would be unlikely to reverse the decision. HDC nonetheless issued court papers to pursue its own JR of the decision – an action which we believe is supported by SPC. That challenge failed – but both the Secretary of State and the Court did agree that the inspector made an error in law by failing to properly consider the Southwater Neighbourhood Plan, however the Court concluded that this error would not have altered the Inspector’s ultimate decision given his clear support for the application.

This shows that the housing shortage in the area is so severe that currently, the shortage of housing overrides paragraph 14 protection, and that even recently made neighbourhood plans offer limited protection against speculative development.

It seems likely that the Local Plan will be withdrawn at some point, and that the HDPF (2015) will remain the document containing the strategic policies for the area. The SNP is in general conformity with those strategic policies (as tested as Examination), but:

- To qualify for protection under NPPF paragraph 14, a neighbourhood plan must allocate sites to meet identified housing requirement at the time it is made, and be less than five years old.
- The original SNP allocated sites based on the figures at the time (which falls below the requirement figure if it were calculated today) and was made more than four years ago. It therefore risks losing para 14 in 2026 unless reviewed comprehensively taking into account current targets.
- The current housing requirement figure will be heavily guided by HDC. Early estimates based on NPPF paragraph 77 suggest a notional requirement of around 99 dwellings per year (circa 1,485 dwellings over 15 years), although a bespoke HNA could demonstrate a lower figure justified by local constraints, including water neutrality. Although care should be taken in such instances to avoid potential challenges in the future.
- Any new or modified policies (including a water neutrality policy) are likely to require Habitat Regulations Assessment (HRA) screening and may trigger the need for referendum if deemed significant.

Water neutrality remains a significant constraint across the Sussex North supply area. HDC officers have indicated that neighbourhood plans will be expected to include a standardised water neutrality policy similar to that adopted for other emerging neighbourhood plans (e.g. Pulborough NP Policy 16).

SPC did look to secure Counsel’s advice on the implications of the Sussex North Water Certification Scheme (SNWCS) and how it might support compliance within the SNP. However, this was paused pending a decision on the direction the neighbourhood plan review. It is also noted that other neighbourhood plans, such as that for Pulborough, have progressed by adding a policy relating to water neutrality.

Also of note is the delay and likely withdrawal of HDC’s Local Plan, which will create a **policy vacuum** that will persist for at least the next 2–3 years. This provides an opportunity for developers to make speculative applications, but also an opportunity for Southwater, and potentially its neighbours, to take the initiative and proactively shape development locally.

It is also noted that water neutrality issues are supposedly being “resolved” on 1 November – details of which are eagerly awaited and the implications of this on plan making are currently unknown.

3. Options

The Southwater Neighbourhood Plan has served the community well since 2021 but planning circumstances have now changed significantly. It would appear to us that there are two options, either to press on and conclude the current review, or undertake a full review which seeks to fill the gaps that have emerged in the Parish’s policy position because of external factors.

Option 1: Continue with the Current Review

Under this option, Southwater Parish Council (SPC) could continue with the reviewed version of the Neighbourhood Plan that was submitted to Horsham District Council (HDC) in November 2023. This version made a number of updates to existing policies and evidence but did not propose any new housing site allocations. It is considered to be a Material Modification.

The intention of this Material Modification (Partial Review) was be to complete the current review process and submit it for examination as a material modification to the existing Plan, rather than as a completely new plan. It would therefore have avoided the need for a further referendum and would focus mainly on updating background information, policy wording, and compliance with current national policy where possible. However, there is a risk that the incorporation of a water neutrality policy could result in the need for a referendum.

This route would help keep the Plan active and up to date in some areas, but at this time we do not believe it would, once made, meet the tests included in paragraph 14 of the National Planning Policy Framework (NPPF).

Advantages	Disadvantages	Implications
<p>Faster and lower cost, building on existing evidence.</p> <p>Retains familiar structure and policies.</p> <p>Provides an interim update that may still carry some local weight.</p>	<p>Will not meet paragraph 14 tests; offers little protection from speculative schemes.</p> <p>Will carry reduced weight at appeal while the District lacks a sensible housing supply.</p> <p>Relies on the ageing HDPF (2015) for conformity.</p>	<p>Likely to need a further review once a new Local Plan is in place.</p> <p>Substantive changes (e.g. water neutrality) may still require additional consultation or HRA screening and/or referendum.</p> <p>The plan would not entirely comply with current national policy and guidance re housing numbers, leaving it open for challenge.</p>

In terms of programme, much of the work is already done and so we envisage it progressing as set out below:

Stage	Key Activities	Indicative Period
1. Secure details HDC comments on draft	Confirm amendments with HDC; agree evidence requirements, governance, and project plan.	Nov – Dec 2025

Stage	Key Activities	Indicative Period
4. Regulation 14 Consultation	Undertake six-week consultation on draft Plan; collate and address feedback. Update plan as required and finalise required documentation to accompany submission.	Jan – Mar 2026
5. Submission (Regulation 16)	Submit revised Plan to HDC; statutory six-week representations period.	Apr – Jun 2026
6. Examination	Independent examination (written representations likely); receipt of examiner's report.	Jul – Sept 2026
7. Referendum (if required & Adoption ('Making' of the Plan))	Referendum held if required and HDC formalises the Plan as part of the development plan for Southwater.	Oct – Nov 2026

We believe this option would see the Material Modification (Partial Review) completed in November 2026.

Option 2: Undertake a Full Review (Including Housing Allocations)

This option would see Southwater Parish Council (SPC) undertake a comprehensive review of the Neighbourhood Plan, with the goal of producing a fully updated document that meets current national policy requirements and reflects the community's latest priorities.

A full review would begin by seeking confirmation from Horsham District Council (HDC) of the most up-to-date housing requirement figure. Where necessary, this could be refined through a new Housing Needs Assessment (HNA) to ensure a robust and locally specific evidence base. The process would then involve exploring and consulting on potential housing site allocations, updating all supporting evidence and policies, and ensuring the revised Plan satisfies the tests of paragraph 14 of the National Planning Policy Framework (NPPF).

By following this route, the Parish would be in the strongest possible position to shape and manage future growth. A full review would create a robust and up-to-date policy framework, offering a stronger Paragraph 14 defence against speculative applications and ensuring that new development comes forward only in line with local priorities. It would enable the Parish to direct where and how growth occurs, supported by clear masterplanning and placemaking principles. The review could also embed an infrastructure-first approach, setting out the sequencing of development and the delivery of measurable infrastructure commitments. In addition, it provides the opportunity to establish a clear water-neutrality pathway (if required), helping ensure that future proposals remain both deliverable and sustainable.

Importantly, this process would give the community a renewed and meaningful voice in deciding where and how development should take place. It would also ensure that local priorities on design quality, infrastructure, sustainability, and environmental protection are embedded in planning decisions for years to come.

While the main focus would be on preparing a new Southwater Neighbourhood Plan, SPC may also wish to explore the possibility of future collaboration with neighbouring parishes. Many planning issues, such as transport, landscape, water neutrality, and shared infrastructure, cross parish boundaries. Working together could therefore bring some benefits, including:

- A more coordinated approach to managing growth;
- Shared evidence and technical resources;
- A stronger joint position when dealing with HDC and developers; and

- Better alignment on shared infrastructure such as schools, open space, and local transport.

However, the option being considered here is first and foremost a full review of the Southwater Neighbourhood Plan itself, with the potential for joint working treated as a possible opportunity to explore, not a core part of the approach.

This review would also provide a chance to reconsider how Southwater fits within the wider settlement hierarchy of the district, and to update policies so that they better reflect the Parish's current and future needs.

Advantages	Disadvantages	Implications
<p>Adheres with paragraph 14 gaining stronger defence against speculative proposals.</p> <p>Ensures Southwater proactively guides where housing goes, rather than reacting to developer-led schemes.</p> <p>Extends the Plan's life and strategic relevance.</p>	<p>More complex and resource-intensive; requires call for sites, review of evidence, Regulation 14 consultation, examination, and referendum.</p> <p>Higher cost and longer timeframe (18–24 months).</p> <p>May face local opposition during site selection and subsequent allocation.</p>	<p>Dependent on HDC's administrative capacity and cooperation.</p> <p>Must remain in general conformity with the 2015 HDPF until replaced.</p> <p>External factors (government reforms, council restructuring) may affect timing / disrupt progress.</p>

In terms of programme, much of the work is already done and so we envisage it progressing as set out below:

Stage	Key Activities	Indicative Period
1. Scoping and Confirmation of Approach	Confirm full review process. Formally request housing requirement figure from HDC for the Parish. Commission	Nov 2025
2. Evidence Review and HNA Completion	Update evidence base as required to inform policies. Commission HNA. Open call for potential housing sites; undertake technical and planning assessment; shortlist preferred sites.	Dec 2025 – Apr 2026
4. Drafting and Policy Development	Prepare draft Neighbourhood Plan including site allocations, infrastructure strategy, and policy framework.	May – Jun 2026
5. Regulation 14 Consultation	Conduct six-week public consultation on the draft Plan; hold community events and gather feedback. Update plan and prepare submission documents.	July – Oct 2026
5. Submission (Regulation 16)	Submit revised Plan to HDC; statutory six-week representations period.	Nov – Dec 2026
7. Examination	Independent examination and modifications in liaison with HDC and the examiner.	Feb - Apr 2027
8. Referendum and Adoption	Referendum held by HDC; Plan formally 'made' if supported.	May 2027

We believe this option would see the full review completed by May 2027.

4. Recommendation

The combination of HDC's Local Plan failure, the acute housing land supply shortfall, and evolving NPPF provisions means that a full review (Option 2) incorporating housing allocations to meet the current housing requirement figure is now likely to offer the most robust and defensible approach for the Parish.

A full review would identify where any necessary additional growth is best located and how it should be master planned and mitigated to protect local character and infrastructure. It would:

- Use the planning system to ensure that the local community has a meaningful say in how development comes forward, rather than losing control to the whims of a speculative application/development.
- Largely reinstate Southwater's ability to rely on paragraph 14 protection against unplanned large-scale development.
- Provide updated and locally justified housing and infrastructure policies; and
- Offer a strong position for Southwater (and its surrounding Parish's if a joint plan were progressed) until a new Local Plan is in place.

It is noted that the timeline for Option 2 is longer but would provide a stronger and more defensible position for the next 5+ years post adoption.

It is also noted that forthcoming changes to the planning system and local decision-making procedures are also likely to affect how applications are determined. In particular, there may be fewer opportunities for the Parish Councils to request that applications be referred to committee. Having a robust and up-to-date Neighbourhood Plan in place will therefore become even more important in influencing decisions made by officers and ensuring that local priorities continue to carry weight in the planning process.

SPC is therefore invited to consider its preferred approach and instruct Squires Planning accordingly on the preferred way forward.