

Sustainability Appraisal / Habitats Regulation Assessment of the Proposed Changes

Summary and Comments

1. Introduction

- 1.1 A comprehensive Sustainability Appraisal (SA) / Habitats Regulation Assessment (HRA) report has been published alongside the Proposed Changes. GOSE is also inviting comments on this document.

2. Summary of SA / HRA Conclusions

- 2.1 The SA of the Proposed Changes comprises 3 'stages':
1. An appraisal of the options for future housing provision in the South East.
 2. An investigation into the overarching issue of infrastructure and growth.
 3. An appraisal of the impacts of a draft version of the Proposed Changes prepared by the Government Office in relation to a series of key topics including:
 - Air quality & causes of climate change.
 - Biodiversity and open space.
 - Community wellbeing.
 - Economy.
 - Flood risk.
 - Housing and affordable housing.
 - Landscape and the historic environment.
 - Transport and accessibility.
 - Water quality.
 - Water resources.
- 2.2 The SA concludes that the South East Plan as proposed would lead to:
1. Economic benefits resulting from housing provision and the provision of employment sites and new infrastructure.
 2. Community benefits from the provision of more homes although the increase in provision is insufficient to accommodate the forecast number of households and combat the housing backlog.
 3. Significant environmental costs, approaching environmental limits in parts of the region with regard to water quality, water resources, air quality, biodiversity, and increased flooding.
- 2.3 The HRA builds on the Appropriate Assessment undertaken by the Assembly for the draft South East Plan. It particularly addresses the question 'Are the new proposed housing levels sufficiently great as to render the mitigation measures identified in the HRA of the draft South East Plan inadequate?'
- 2.4 The HRA concludes that the additional housing would exacerbate the scale of impacts to a degree that difficulties in implementing the mitigation measures identified in the HRA of the draft Plan would arise.

- 2.5 The SA and HRA also make recommendations for the next review of the RSS:
1. Take a more environmental-constraints-led approach to the distribution of further growth.
 2. Consider the option of freestanding new settlements.
 3. Consider a pan-regional approach to the growth debate, focusing on major inter-regional issues.
 4. Strengthen the evidence base in relation to infrastructure, resource consumption, and environmental capacity.

2.6 In addition, the report concludes that:

1. Central Oxfordshire, Kent Thames Gateway, Milton Keynes Aylesbury Vale, and South Hampshire offer the most potential for additional growth at a sub-regional level, however there could be issues around flood risk, water resource availability, and biodiversity in some or all of these areas.
2. There appears to be least potential to accommodate growth in Gatwick, the London Fringe and Sussex Coast due to a range of environmental and planning constraints.

3. Sustainability Appraisal Summary of Likely Impacts

3.1 We have a number of concerns about the interpretation and comparison of some of the impacts of the Proposed Changes which are as set out in the 'summary of impacts' table (Table 27, page 217-20 of the report).

3.2 This table seeks to compare, on a topic-by-topic basis, the likely impact of the Proposed Changes with:

1. The current situation.
2. The likely future situation without the Plan.
3. The likely future situation with the draft South East Plan submitted to Government in March 2006.

It uses a colour coding system to do so.

3.3 The table indicates that the likely future situation under the Proposed Changes (as opposed to the draft Plan) will be:

1. Worse with regard to air quality & climate change, and water resources.
2. Better with regard to the economy and affordable housing.

However, looking in more detail at the stated impacts reveals that the situation under the Proposed Changes should be considered worse for up to five additional themes.

3.3.1 Biodiversity & open space: The likely situation with no Plan, with the draft Plan and with the Proposed Changes are all coded as 'negative impact'. We consider that the further increase in household numbers under the Proposed Changes will lead to *additional* negative impacts, which are unlikely to be balanced by the introduction of the green infrastructure policy (as stated) due to the uncertainty about infrastructure implementation resulting from CC7.

- 3.3.2 Community wellbeing: The likely situation under the Proposed Changes is identified as 'could be positive or negative depending on how the RSS is implemented'. We consider that the potential negative impacts of uncertainty over the provision of infrastructure - including health and social infrastructure - are likely to be more significant than the positive impacts of the green infrastructure policy.
- 3.3.3 Flood risk: The table indicates that under both the draft South East Plan and the Proposed Changes the likely impact will be 'significant negative'. It is our view that, in fact, additional development in areas prone to flood risk included in the Proposed Changes will worsen the negative impacts.
- 3.3.4 Transport & accessibility: The table indicates that under *any* of the future options considered by the SA the likely impact will be 'significant negative'. We consider that the higher housing provision suggested in the Proposed Changes is likely to lead to *additional* negative impacts, in particular in the light of the weakening of the conditionality clause regarding infrastructure. Whilst the SA correctly states that funding for infrastructure may combat some of the negative impact, this was also addressed in the Implementation Plan that accompanied the draft South East Plan.
- 3.3.5 Water quality: The table indicates that under both the draft South East Plan and the Proposed Changes the likely impact will be negative. However, we consider that under the Proposed Changes scenario water quality will deteriorate further than under the draft South East Plan. Whilst most additional development is not on the South Coast, South Hampshire has been identified as one of the sub-regions with most potential for additional growth.
- 3.4 The above comments show that the summary of impacts table can be misleading, as in many cases the additional negative impacts of the Proposed Changes are actually likely to be more significant than the colour coding indicates.
- 3.5 Finally, the summary table on Housing and Affordable Housing suggests that the impacts of the Proposed Changes are positive and those of the draft South East Plan 'significant negative'. In fact, the scale of the impact of the additional homes proposed on affordability is questionable, and indeed the table text states that whilst '33,125 dpa will better reflect the region's housing need [it] will be insufficient to provide for the number of emerging households and combat the housing backlog'. Impacts are therefore unlikely to be as diametrically different as implied by the colour coding.

4. SA / HRA Recommendations for Policy Changes

- 4.1 The SA / HRA Report recommended changes to policy set out in a draft version of the Proposed Changes in order to improve the sustainability of the final Proposed Changes and final South East Plan. The Government Office has accepted amendments to a number of their draft Proposed Changes policies to reflect these recommendations. However, there are some recommendations which were not accepted by the Government but that we suggest should be addressed.

Housing

- 4.2 In the draft Proposed Changes, the regional housing provision (Policy H1) was been increased to at least 662,500 dwellings 2006-2026 or an average annual figure of 33,125. The SA / HRA recommended that the words 'at least' should be removed from the policy and / or housing provision be made contingent on the delivery of adequate infrastructure.
- 4.3 The Government response to this recommendation is that any significant additional growth above the minimum figure will need to be brought forward through the LDF or planning application process, which will be subject to its own SA / HRA and that, the policy sets out the need to take infrastructure constraints into account. We consider this response to be insufficient. The use of a minimum target constitutes a further option that has not been tested through the regional SA process. SA / HRA testing of additional growth brought forward through LDDs or planning applications will not deal with cumulative and / or strategic impacts - the RSS and its appraisal process should test the strategic level impact of proposals and overall growth levels. The words 'at least' therefore should be removed in line with the SA/HRA recommendations.

Infrastructure

- 4.4 In the draft Proposed Changes, in policy CC7, the conditional approach to development (growth only taking place once infrastructure has been put in place) was deleted and replaced with the statement that:
- where sufficient capacity cannot be demonstrated the scale and pace of development will be dependent on the prospects of releasing capacity through management of demand or through provision of new infrastructure.*
- 4.5 The SA / HRA recommended that this draft policy promoted a particularly high level of uncertainty and that the policy should be amended to firmly link the delivery of future development to the provision of adequate infrastructure. It specifically recommended that the conditionality clause should be reinstated to achieve the most sustainable strategy in relation to housing, transport, the economy, flood risk, water quality, and water resources. In addition it suggested that the draft South East Plan's reference to meeting the area's current as well as future needs was more sustainable than the approach in the draft Proposed Changes, and should be reinstated.
- 4.6 The Government, in its response to the SA / HRA recommendation, expressed concern about the way the conditional approach would potentially operate in practice. Therefore, it accepts the reinstatement of the conditionality clause in part and in certain circumstances. The final Proposed Changes policy states:
- where [sufficient capacity] cannot be demonstrated the scale and pace of development will be dependent on additional capacity being released through demand management measures or better management of existing infrastructure, or through the provision of new infrastructure. Where new development creates a need for additional infrastructure a programme of delivery should be agreed before development begins.*

The final Proposed Changes picks up in specific policies (such as NRM1 on water resources) where it is considered that infrastructure needs to be in place before development begins.

- 4.7 The conditionality clause should be fully reinstated to ensure development proceeds in a sustainable way. Reference to meeting the region's current as well as future infrastructure needs should also be reinstated, as some infrastructure is already at capacity.

Water Resources

- 4.8 In the draft Proposed Changes policy, the reference to high water efficiency standards (Policy NRM1) has been deleted and replaced with a phrase enabling Local Development Documents to identify circumstances in which higher standards are justified. Given the severe water constraints in the region, the SA recommends that higher standards of water efficiency are imposed.
- 4.9 In its response to this recommendation, the Government accepts that there is a water supply issue but concludes that efficiency should be driven nationally by gradually improving building regulations. It highlights that Policy CC4 encourages new development to seek the highest possible rating in accordance with the Code for Sustainable Homes, subject to economic viability. We object to the removal of the clause in NRM1 requiring developments to achieve high levels of water efficiency considering the status of the whole region as in serious water stress and in light of the likely emerging requirements of the Water Framework Directive.

5. Errors within the Document

- 5.1 We have noted a number of errors and inconsistencies in the Proposed Changes and accompanying documents.
- 5.2 In the SA / HRA, Appendix 2 illustrates the proposed housing distribution by district. However, the percentages changes between the draft plan and the Proposed Changes have been calculated incorrectly, using the Proposed Changes figures as the basis for the percentage change rather than the draft Plan figures. There also appears to be an error over the figure for West Oxfordshire (5,500 houses added incorrectly to the Proposed Changes figure), and some confusion where the SDAs figures have been included within district allocations.
- 5.3 Whilst the assessments of impacts appear to be generally based on absolute changes to the housing provision rather than the wrongly calculated percentage changes, there is a risk that if the incorrect percentage figures were used in the appraisal process the full impact of additional homes has not been tested.