



Horsham
District
Council

Horsham District Local Plan Examination

Topic Paper: Housing Supply and Headroom – Matter 2

March 2026

Matter 2: Housing Supply and Headroom

a) The housing supply trajectory as proposed

1. The Council produced a **Housing Trajectory** topic paper which forms part of the examination library (**H08**). This paper sets out the background to the submission plan trajectory and how the proposed housing requirement will be delivered. An updated version housing trajectory was also provided as an appendix to the **HDCJB01**.
2. The Council continually monitors housing permissions and has kept the trajectory live as the examination has progressed. **Appendix 1** of this paper sets out the most recently updated trajectory of sites which contribute to Horsham's housing supply in the plan period. As with **H08**, this update is on the basis of commitments (all permissions and Neighbourhood Plan allocations), strategic site allocations, smaller site allocations and windfalls. The updated supply from each category is set out below.

Completions

3. There have been 2 full years of completions data collected since the start date of the plan (2023/24):

2023/24 – **452** dwellings

2024/25 – **320** dwellings

In total completions deliver **772 homes** in the plan period.

Commitments

4. Commitments include all permissions and allocations in made Neighbourhood Plans.
5. The trajectory in **Appendix 1** has been updated to reflect the changes that have happened since the submission of the plan. For clarity and consistency, a cutoff date of 1 February 2026 has been used meaning commitments are a snapshot at that point date, although the trajectory and sites are kept under constant review and can be updated through the course of the examination as required. This update includes a strategic scale site which has been allowed at appeal (Horsham Golf and Fitness) for 800 homes. The updated commitment figures are as follows:

Category A sites (Sites with detailed (full) planning permission)– **2,611** dwellings. These are defined in Annex 2 of the September 2023 NPPF as “Deliverable”. This category covers qualifying strategic sites, sites of 5+ units and Neighbourhood Plan sites.

Category B sites - (sites with outline permission) on strategic and 10+ sites – **4,526** dwellings. These are defined in Annex 2 of the September 2023 NPPF as a site which “has outline planning permission for major development, has been allocated in the development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within 5 years”. The remaining Category B yield is from Category B Neighbourhood Plan allocations.

Category B Made Neighbourhood Plan allocations – **916** dwellings.

Small sites (1-5 units) - **175** units (see paragraphs 13 and 14).

In total commitments deliver **8,228 homes** in the plan period.

Strategic Site Allocations

6. There are **3,260** dwellings being delivered across the strategic site allocations in the submission local plan which will come forward before 2040:
 - **1,600** on Land West of Ifield: this site has a live outline planning application for 3,000 homes of which 1,600 are expected to be delivered in the Plan period. Subject to receipt of additional information from the applicant, the site is currently expected to go to Planning Committee for a decision in late spring /early summer of 2026
 - **950** on Land Northwest of Southwater: A planning application for this site was submitted to the Council in March 2026 for 1,080 homes, of which 950 are expected to be delivered in the Plan period. The application is in the early stages of consideration, but at the time of writing is expected to be considered at a Planning Committee in the Autumn of 2026
 - **650** on Land East of Billingshurst, and
 - **60** dwellings on Land North of Horsham on a land parcel which is to be added to the North Horsham (Mowbray) scheme allocated under the current local plan and currently building out

Strategic site allocations will deliver **3,260 homes** in the plan period.

Smaller Site Allocations

7. The smaller site allocations in the submission local plan are expected to deliver **1,730** homes in the plan period. Some of these sites have, since submission, gained planning permission and are now counted under commitments. The Council considers the relevant allocation policies should remain in the plan to ensure detailed applications and build outs can be delivered in a way that is consistent with the policy provisions.

Windfalls

8. In order to reflect the fact that windfall sites completed in the early part of the plan period will have already been counted in the trajectory as commitments, the Council has rolled forward the three-year period during which no windfalls are apportioned to 2028/29. The updated windfall allowance therefore contributes **1,440** homes to the plan period supply. Para 14 below addresses the reliability of this supply.

Shortfall

9. The supply update outlined above totals 15,430. As set out in the trajectory in Appendix 1 this results in a shortfall of **2,398** homes against the requirement set out in the Council's Matter 1 topic paper (see
- 10.
- 11.
12. Table 1 overleaf).

Table 1: Shortfall in supply

	2023-2040 updated
Proposed housing requirement	17,828
Current Supply	15,430
Current Shortfall	2,398

b) The reliability of housing delivery assumptions / allowance for non delivery

13. Prior to the period when the District was covered by the Natural England Position Statement regarding water neutrality and the constraint on delivery that presented, the Council had a strong track record of housing delivery, meeting its housing requirement and performing well against the Housing Delivery Test. Delivery on strategic allocations made in the current local plan have 31 March 2025 delivered 773 on sites allocated in the current local plan with a further 2,775 across outline or detailed permission still to be delivered.

Table 2: Strategic Allocation delivery

Allocation	Site Total Units	Units Complete	% Complete	Units Remaining
Land South of Billingshurst	138	138	100%	0
Land North of Horsham (Mowbray)	2,750	211	8%	2,539
Land West of Southwater (Broadacres)	660	424	64%	236

14. The assumptions around future strategic site delivery have been made based on site specific analysis, including input from the site promoters or developers themselves on likely commencement, first completions and build out rates, with information sought as recently as January 2026, as well as information about sales outlets, associated infrastructure requirements and phasing. This input has been “sense checked” against the Council’s own knowledge of historic delivery on similar or equivalent sites, taking account of scale, geography, and engagement with the Council to date. This means that, whilst there cannot be complete certainty of delivery over the plan period, the Council considers the figures it is using can be relied on to deliver as set out in the trajectory.

15. A similar approach is taken on smaller, non-strategic scale sites, with feedback from site promoters of developers informing the trajectory assumptions and planning application progress monitored to ensure the trajectory reflects the mixture of outline and full permissions. Again, the Council is confident that the figures it is using are realistic.
16. Historically, Horsham District Council (and other West Sussex authorities) have used a completion co-efficient rate from West Sussex County Council (WSCC) to estimate the percentage of HDC planning permissions of between 1 and 4 dwellings that are completed. Historically this figure has been in the region of 60% i.e. of all applications for 1-4 dwellings that are granted planning permission by HDC, about 60% are completed, while 40%, for a number of different reasons, are not completed.
17. Of committed small sites (1-4 units), the Council's trajectory predicts that in the first five years of the plan, a greater number of these sites are expected to come forward in years one and two and fewer towards the end of the five-years, reflecting the time usually taken for these sites to deliver their first and last homes.

c) The reliability of assumptions about windfalls

18. The Council submitted its **Windfall Study (H09)** as part of the evidence base for the local plan. This sets out the Council's approach to calculating likely windfall supply. While the Council recognises the uncertainty that is inherent in the supply of windfalls, it has had regard to NPPF (September 2023) para 71 which states that an allowance can be made where there is compelling evidence that the sites will provide a reliable source of supply. The paper sets out that, while windfall supply is inherently uncertain, the Council is able to demonstrate a reliable and consistent delivery of windfalls in the years since 2012. Furthermore, even when presenting a worst-case scenario, a windfall supply of 120 dwellings can be relied on year on year.

d) The robustness of the trajectory

19. The trajectory presented with this paper has been produced following ongoing engagement with developers through plan preparation. The Council has sought to understand developers' progress with site assessment work, delivery intentions and timescales and to reflect these in the trajectory, while having regard to historic delivery. Further information is included in 23 of this paper The Horsham Housing Delivery Study (**H02**) and Housing Delivery Study Update (**H03**) analysed likely lead in times and build out rates in the context of local and national housing market performance and the spatial relationship of site options in order to suggest how strategic site may come forward and their likely yield. This work is being updated as part of the recommencement of the examination and it is expected that updated findings will feed into a review of the trajectory, taking into account the change in context since the last update in 2023 and potential new site allocations.
20. The Council also has a history of positive, constructive engagement with developers, through pre-app engagement and planning application stage to ensure, subject to meeting policy requirements, that planning applications can proceed successfully. This engagement ensures barriers to delivery are understood and that steps can be taken to mitigate their impact on delivery and help ensure these can be overcome. **Table 3** overleaf shows the District's record of completions by year since 2011, with supply regularly exceeding 1,000 homes a year pre-water neutrality, and illustrative of the positive impact of the Council's engagement with developers.

Table 3: Horsham Net Completions by Year

Year	Net Completions
2011 - 2012	261
2012 - 2013	479
2013 - 2014	824
2014 - 2015	855
2015 - 2016	1201
2016 - 2017	795
2017 - 2018	1125
2018 - 2019	1369
2019 - 2020	955
2020 - 2021	769
2021 - 2022	654
2022 - 2023	396
2023 - 2024	452
2024 - 2025	328

e) Maintaining adequate housing land supply including a rolling 5 year supply

21. The trajectory contains what the Council considers to be a robust mix of sites which not only help to ensure an ongoing supply of homes into the later stages of the plan period but also allow smaller and medium sized sites to continue to deliver allowing the D to maintain a 5-year supply of sites.
22. A number of sites in the trajectory already have outline or full planning permission – 3,558 units with full planning permission. In addition, a number of the proposed site allocations in the submission plan are actively engaging with the Council through pre-apps, have live planning applications under consideration or a resolution to permit subject to legal agreements. While the Local plan examination was paused, work with site promoters has continued and the Council's Shaping Development in Horsham District Planning Advice Note¹ has supported delivery of an ongoing a supply of homes in sustainable locations.
23. Throughout the examination process, the Council has written to developers seeking information about the deliverability of sites, both those being considered for allocation and those in the trajectory as commitments or existing allocations, in order to understand likely timescales for the submission of applications as well as background work informing the phasing and scale of potential schemes. This was undertaken most recently in January 2026, and has informed the latest update to the trajectory in Appendix 1.

¹ [Shaping Development in Horsham District Planning Advice Note](#)

24. In its response to Matter 2 g) below, the Council has made an argument for the need to maintain the stepped trajectory, not least because we consider this will be fundamental to achieving a rolling five year supply, allowing time for a pipeline of permissions to be established and for strategic sites to be given sufficient time to commence building.

f) Headroom, resilience and the mitigation of risk

25. Notwithstanding the Council's confidence in the ability of the trajectory to come forward as planned, it acknowledges the need for resilience to ensure risks to supply are minimized. The Council has already set out its intention to explore the extent to which low, medium or high growth scenarios could be accommodated during the plan period in its letter to the Inspector (**HDCJB01**) and this ongoing work will inform the extent to which a requirement over and above that set out in Matter 1: Housing Need can be achieved.

g) Whether the housing requirement should be stepped

26. In **H08** (the Housing Trajectory Topic Paper), the Council explained the need for a stepped trajectory. The Council remains of the view that this will be necessary, reflecting the legacy impact of water neutrality on the rate that development will come forward in the early years of the plan. The reduction in permissions and the relative delay in determining applications between September 2021 and October 2025 means the pipeline of permissions has been reduced in comparison with what has historically been permitted. Our analysis indicates that it takes a major development (10+ dwellings) on average 3.5 years from full permission to completion of the first dwelling², therefore the shortfall in completions will persist due to the reduction in permissions granted since September 2021. The stepped trajectory will also reflect the fact that significant proportion of the homes in the submitted plan – and likely many homes of any new allocations – will come from sites that are strategic in scale and will therefore take several years to secure detailed planning permission and begin delivering.

27. Development during the early years of the plan was constrained directly as a result of water neutrality – a constraint which was largely out of the control of the Council and the development industry. This resulted in a significant drop in delivery in the years 2023/24 and 2024/25, particularly in the context of a District with a strong track record of housing delivery meeting and exceeding its local housing requirement. In order to mitigate the risk of the plan's resilience being undermined unnecessarily, the Council proposes that the step for the first two years of the plan period should be set in line with actual delivery – 452 for 2023/24 and 320 for 2024/25, with the requirement for future years adjusted accordingly.

28. The Council updates completion figures soon after the end March each year, and intends to do this as soon as possible at the end of year 3 subject to the information being made available by the County Council. This will help inform what element of the requirement has been met up until the end of year three and what supply is required. The Council also proposes this should inform the annual requirement for the third year of the Plan.

29. The submission plan proposed a trajectory with a target of 480 between years 1 and 5 and 901 dwellings between years 6 and 17, which delivered 13,212 over the plan period. In order to achieve the requirement proposed in **Matter 1: Housing Need**, the Council proposes a stepped

² [Horsham Housing Delivery Study Dec 2023](#) para 4.12

requirement with an indicative approach set out in **Table 4** overleaf, subject to further evidence such as additional site build out rates:

Table 2: Indicative stepped trajectory

	Year 1	Year 2	Years 3	Years 4-7	Years 8-17
Requirement	452	320	470	734	1365
Comment	Completions	Completions	Forecast completions	x 4 years	x 10 years

30. The requirement numbers above are indicative and would need to be finalised following agreement on an appropriate overall requirement, and the completion of other evidence base work, such as the assessment of which additional sites are appropriate for allocation, and the infrastructure necessary to support the scale and location of development sites and other considerations. Notwithstanding that the figures are to be agreed, the Council considers a step which recognises and neutralises the historic low delivery resulting from water neutrality, and reflects the time needed to allow a supply of permissions and time on site for delivery to increase around year 8 of the plan period.

h) Whether additional housing allocations are required, and if so, what kind / size / timing

31. Based on the supply position set out in this topic paper, and as indicated in **HDCJB01**, the Council recognises it will need to consider allocating additional sites in order to seek to:

Meet its own housing need in full

Meet the unmet need arising from neighbouring authorities, and

Provide a level of “headroom” to ensure the plan’s supply of housing will meet the housing requirement over the lifetime of the plan and that a five-year housing land supply will be maintained.

32. In the Council’s letter to the Inspector (**HDCJB01**) we indicated that we intended to test three broad options for growth, based on both the allocation of additional smaller sites (to help boost supply in the short to medium term) and the consideration of additional strategic sites to help increase supply from the mid to longer term. The work to assess sites and potential development scenarios is proceeding at pace. **Table 3** shows the extent to which each of the growth options set out in **HDCJB01** would contribute to meeting the housing requirement proposed in Matter 1: Housing Need.

Table 3: Housing requirement and growth options

Plan Period	2023-2040
HDC Housing Need (less SDNPA) - Annual	1 yr at 890 1 yr at 896 15 yrs at 819
HDC Housing Need - Plan Period	14,071
Unmet Need Contribution - Plan Period	3,757
Housing Requirement	17,828
Low growth option	17,800
Headroom	-28
Headroom %	0%
Medium growth option	19,300
Headroom	1,472
Headroom %	8%
High growth option	20,100
Headroom	2,272
Headroom %	13%

33. A “low growth” option, with an additional strategic site allocation alongside a number of smaller sites would meet the identified requirement, while a “medium” or “high” growth strategy would allow for an element of headroom (at either 8% or 10% of the requirement).