



Horsham
District
Council



CHAPTER 3: Housing Land Supply

Position as at 1st April 2023



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1.0 Introduction

- 1.0 This chapter sets out Horsham District Council's housing land supply position and delivery against the Horsham District Planning Framework (2015). It also sets out the Council's five-year housing land supply calculation.
- 1.1 It has been prepared having followed the guidance set out in the National Planning Policy Framework (5 September 2023 and 20 December 2023) and Planning Practice Guidance (PPG).
- 1.2 The Authority Monitoring Report has a base date of 1st April 2023.

2.0 District Plan Housing Requirement / Draft Horsham Local Plan/ Water Neutrality

Horsham District Planning Framework

- 2.1 The Horsham District Local Plan, known as the Horsham District Planning Framework (HDPF) was adopted on 27th November 2015. Policy 15 ("Housing Provision") sets a housing target of at least 16,000 homes to be delivered over a twenty-year Plan period, running from 1 April 2011 to 31 March 2031. This equates to an average of 800 dwellings per annum.
- 2.2 Policy 15 sets out how that target of 16,000 will be met:
 - Housing completions for the period 2011-2015;
 - Homes that are already permitted or agreed for release;
 - Strategic Sites
 - At least 2,500 homes at Land North of Horsham
 - Around 600 homes Land West of Southwater
 - Around 150 homes at Land South of Billingshurst
 - The provision of at least 1500 homes throughout the District in accordance with the settlement hierarchy, allocated through Neighbourhood Planning;
 - 750 windfall units

Local Plan Review

- 2.3 Paragraph 33 of the NPPF (20 December 2023) states that policies in local plans should be reviewed every five years to assess whether they need updating. Horsham District Council is currently in the process of reviewing its development plan. Horsham Council published a Regulation 18 document for public consultation between 17 February 2020 and 30 March 2020. A draft regulation 19 Plan (2023-2040) was presented to Council on 11 December 2023 and Horsham Councillors approved the Draft Plan for public consultation between 19 January – 1 March 2024.

Natural England Position Statement September 2021

- 2.4 On 14th September 2021, Natural England sent a Position Statement to Horsham District Council (as well as Chichester District, Crawley Borough, the South Downs National Park and West Sussex County Council) setting out concerns that new development in Northwest Sussex was increasing the demand for water, which is thought to be harming internationally protected species in the Arun Valley, with the potential threat of the extinction of some species.
- 2.5 The advice from Natural England is that for development to proceed, it must be water neutral. i.e. new development should not increase the rate of water abstraction from the water supply site at Hardham, near Pulborough above existing levels.
- 2.6 The outcome of this Position Statement is that Horsham Council is unable to determine current planning applications unless it can be shown that they are water neutral. While this will not normally impact the majority of smaller scale household applications, all other proposals must be able to demonstrate water neutrality in order to allow the Council to comply with its legal duties. This has delayed the preparation of the Local Plan to enable a water neutrality mitigation strategy to be prepared.
- 2.7 This AMR is based on the position of a) development being able to demonstrate water neutrality and b) the introduction of the water mitigation strategy in autumn 2024. This issue will however need to be kept under review in future monitoring reports in light of the eventual solutions that are found. Appendices 1-3 are produced on this basis.

3.0 Housing Delivery and Supply 2022-2023

Housing Delivery 2022-2023

- 3.1 There were 422 gross completions and 26 demolitions between 1st April 2022 and 31st March 2023, giving a net completion figure of 396 dwellings. In terms of the split between large (5+) and small (1-4 dwellings) sites, there were 341 net completions on large sites and 55 net completions on small sites.
- 3.2 **Appendix 1** lists the dwelling completions for 1st April 2022- 31st March 2023.

Supply from Planning Permissions 2022-2023

- 3.3 Between 1st April 2022 and 31st March 2023, planning permission was granted for 180 dwellings. In terms of the split between large (5+) and small (1-4 dwellings) sites, there were 127 permissions granted on large sites and 53 permissions on small sites.
- 3.4 **Appendix 2** lists all residential permissions granted between 1st April 2022 and 31st March 2023.

Housing Delivery Test (HDT)

- 3.5 The Housing Delivery Test was introduced in July 2018. The Housing Delivery Test is a measurement of housing delivery for each local authority and the first results were published in February 2019 by the Department for Levelling Up, Housing and Communities. The methodology used for calculating the Housing Delivery Test is set out in the Housing Delivery Test measurement rule book¹. The implications of a local authority not meeting the Housing Delivery Test are set out in the NPPF². Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority's housing requirement over the previous 3 years, then the authority is required to publish an "action plan". Where delivery has fallen below 85% of the housing requirement, a 20% buffer should be added to the five-year supply of deliverable sites, in addition to an "action plan". Where delivery falls below 75% of the requirement over the previous three years, the presumption in favour of sustainable development applies, as set out in footnote 8 of the NPPF³, in addition to the requirements for an action plan and 20% buffer.

¹ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

² Paragraph 79 of the National Planning Policy Framework (20 December 2023)

<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

³ Ibid.

3.6 Historically, Horsham has performed very well against the HDT measurement:

3.7 The latest HDT measurement (2022) for Horsham was published on 19 December 2023 and was 98%. This result is based on the monitoring years 2019-2020, 2020-21, and 2021-2022.

Horsham is not required to apply a buffer due to any under delivery against the Housing Delivery Test.

Table 1 - Housing Delivery Test (HDT) Results 2018 -2022

Year	HDT result
2018	141%
2019	148%
2020	155%
2021	147%
2022	98%

4.0 Five Year Housing Land Supply Calculation

- 4.1 The 5 year housing land supply is calculated with a base date of 1st April 2023.
- 4.2 The Transitional Arrangements to the new NPPF (20 December 2023) state at paragraphs 224-230 that for development management purposes, the policies in the December 2023 Framework should be used from 20 December 2023, while those local plans who reach Regulation 19 before 19 March 2024 should be examined under the September 2023 NPPF. As there is no specific guidance on which version of the NPPF should be used for AMRs, we have used the most recent (i.e. 20 December 2023).

Housing Requirement

- 4.3 Paragraphs 76 and 77 of the NPPF (20 December 2023) deal with providing a 5 year supply of housing:
- 4.4 Paragraph 76 of the NPPF (20 December 2023) states:

“Local planning authorities are not required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing for decision making purposes if the following criteria are met⁴

- a) Their adopted plan is less than 5 years old; and*
- b) That adopted plan identified at least a 5 year supply of specific, deliverable sites at the time the examination is concluded”*

- 4.5 Paragraph 77 of the NPPF (20 December 2023) states:

“In all other circumstances, local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide either a minimum of 5 years’ worth of housing⁵, or a minimum of 4 years’ worth of housing if the provisions in paragraph 226 apply. The supply should be demonstrated against either the housing requirement set out in adopted strategic policies, or against the local housing need where the strategic policies are more than five years old⁶

- 4.6 The adopted Horsham District Planning Framework (November 2015) states in Policy 15 that “provision is made for the development of at least 16,000 homes and associated infrastructure within the period 2011-2031, at an average of 800 homes per annum”. However, as the adopted strategic policies for the Horsham District Planning Framework reached five years of age in November 2020, the requirement of Policy 15 is no longer the correct starting point for the five year supply calculation.

- 4.7 In accordance with the NPPF (20 December 2023), there is therefore a requirement to assess the housing requirement against the local housing need. The Standard Method calculates the local housing need (at March 2023) to be 911 per year. This equates to 4,555 for the five year period (1 April 2023 – 31st March 2028).

Dealing with past under delivery

- 4.8 The Planning Practice Guidance, para 31⁷ states when addressing the issue of past under delivery of housing against the housing requirement:

“The level of deficit, or shortfall will need to be calculated from the base date of the adopted plan and should be added to the Plan requirements for the next 5 year period (Sedgefield approach), then the appropriate buffer should be applied. If a strategic policy-making authority wishes to deal with past under delivery over a longer period, then a case may be made as part of the plan - making and examination process rather than on a case-by-case basis on appeal”.

- 4.9 Horsham Council considers that is appropriate to spread any shortfall in delivery over the Plan period.
- 4.10 The Horsham District Planning Framework has a start date of 2011. As set out in Table 5, there is an oversupply of 83 dwellings in the provision of dwellings between 2011/12 and 2022/23, against the annual Plan target of 800 dwellings. As such, there is no shortfall to be added to the five year land supply calculation.

Buffer

- 4.11 In terms of a buffer, the new version of the NPPF (20 December 2023) removes the requirement for 5 and 10% buffers and only includes a 20% buffer for Councils whose delivery falls below 85% of the requirement over the previous three years. As Horsham District has a 98% result from the 2022 HDT results, there is no need to add a 20% buffer (or any other buffer) to the target.

⁷ PPG, July 2019, Paragraph 31 Reference ID:68-031-20190722

4.12 The Council's 5 Year housing requirement for 2023/24 -2027/28 is set out below in Table 2:

Table 2 Total Five Year Housing Requirement

		Total
Annual Requirement using Standard Method	911 x 5	4,555
Shortfall spread over remaining plan period	0	0
Buffer	0	0
TOTAL FIVE YEAR SUPPLY REQUIREMENT		4,555

Housing Supply

Category A Sites

4.13 The housing supply for HDC has been split into two categories. The sites falling within Category A here include:

- Delivery from site allocations in neighbourhood plans or Local Plan strategic sites with detailed permission
- Delivery from committed large sites (5+ dwellings)
- Delivery from small sites (1-4 dwellings);

4.14 For the purposes of establishing those sites within Category A, the Council's assessment draws a different distinction between major and minor development to the nationally accepted definition set out in Annex 2 of the Framework 2019 i.e. 10 or more dwellings. The Council uses the figure of 5+ dwellings for major development. This is the figure which West Sussex County Council has used with all West Sussex local authorities in the monitoring of housing starts and completions.

Category B Sites

4.15 The remainder of the Council's sources of supply fall within Category B. These include:

- Delivery from site allocations in neighbourhood plans or Local Plan strategic sites where there is no consent /or outline consent in place; and
- Windfall development

- 4.16 The Council’s latest supply position, as at 1st April 2023, is set out in full in Table 3. It can be split into five main sources:

Table 3: Breakdown of projected 5-year Housing Land Supply 1 April 2023 to 31 March 2028

Column A	5 year supply 2023-2028
1.Delivery from Strategic Site Allocations	1574
2.Delivery from Committed large Sites (5 + dwellings)	433
3.Delivery from Small Sites (1-4 dwellings)	244
4.Neighbourhood Planning	174
5. Windfall Development	242
5 YEAR SUPPLY	2,667 dwellings

- 4.17 **Appendix 3** sets out a projected Trajectory for housing supply in the District between 1st April 2023 and 31st March 2028.

Supply from Strategic Sites

- 4.18 Appendix 3 shows that there is a total of 1,574 dwellings from the Strategic Sites category that are expected to be completed between 2023 and 2028. Of these, 938 are from detailed permissions (Category A) while 636 are expected to come from outline permissions (Category B). These sites comprise Highwood, Horsham; Kilnwood Vale, West of Crawley; Land West of Southwater; Land North of Horsham; and Land South of Maringdean Acres, Billingshurst.

Supply from Committed Large Sites (5+ Dwellings)

- 4.19 Appendix 3 splits sites into “large” sites (5+ dwellings) and “small” sites (1-4 dwellings). Category A “Committed Large Sites” includes all detailed permissions for 5+ dwellings and all outline permissions for up to 9 dwellings. Category B “Committed Large Sites” includes all outline permissions for 10+ dwellings. With regards to the “large” sites, Appendix 3 shows an expected 310 dwellings to be completed in Category A sites between 2023 and 2028, while 123 dwellings are expected to be completed for Category B sites. That is a total of 433 dwellings.

Supply from Small Sites (1-4 Dwellings)

- 4.20 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.
- 4.21 For 2023-2028, it is currently expected there will be 244 net completions for developments of 1-4 dwellings. **Appendix 4** breaks this figure down into annual projected delivery for Horsham District, together with estimates for the other districts and boroughs in West Sussex.

Neighbourhood Plan Sites

- 4.22 Appendix 3 shows a total of 174 neighbourhood plan dwellings being completed between 2023 and 2028. The Trajectory estimates that 112 dwellings from Category A will be completed, together with 62 from Category B dwellings.

Supply from Windfall Development

- 4.23 The NPPF (20 December 2023) defines “windfall sites” as: “sites not specifically identified in the development plan” (Annex 2). Paragraph 72 of the NPPF (20 December 2023) states: *“Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example, where development would cause harm to the local area.”*
- 4.24 In recent AMRs, the Council has carried out and published an analysis of historic windfall trends going back to 2012. Such windfall evidence, for example, was presented at the appeal into the Council’s 5 Year Supply at Sandy Lane Henfield, held between 30 June - 1 July 2021. The Inspector produced his report on 19th August 2021⁸, and agreed that a figure of **605 dwellings** was an appropriate windfall allowance.

⁸ Appeal Decision, Sandy Lane, Henfield 19 August 2021 APP/Z3825/W/20/3261401

4.25 The Council has carried out further analysis on “windfall development” in 2023 and this is to be published as a separate “Windfall” paper, as part of the Regulation 19 Local Plan Evidence Base. This work demonstrates that the previous figure of 605 dwellings (or 121 dwellings per year) remains an appropriate one to use for the Local Plan. The 5 year housing trajectory in **Appendix 3** therefore includes a figure of 242 dwellings (2 years of windfall supply) for years 4 and 5. A windfall allowance for development within the first 3 years of the Plan period has not been included, as many of the sites that come forward within this period would have already been captured within the Council’s trajectory as commitments.

Five Year Land Supply Calculation

4.26 Table 4 below sets out the five year supply calculation. This shows that Horsham District has a land supply of 2.9 years and is unable to demonstrate a five year supply.

Table 4 - Five Year Land Supply Calculation

Land Supply element	Number of Dwellings / Land Supply
Total Housing Supply in years 1-5	2,667
Total 5 Year supply requirement	4,555
Supply deficit	1,888
FIVE YEAR LAND SUPPLY (2,667 / 4,555) x 5	2.9 YEARS

5.0 Housing Delivery 2011-2023 vs Housing Plan Requirement

- 5.1 Table 5 below shows how the Council has performed between 2011 and 2023 against the target of 800 dwellings per annum, set in the Horsham District Planning Framework, in November 2015. The current position is that cumulative delivery is 83 dwellings above the cumulative target of 9,600 for the last 12 years at 9,683 dwellings.
- 5.2 It remains the case, however, that the constraints of water neutrality, which have been placed on Horsham District by Natural England's Position Statement of 14 September 2021, have had a significant impact on the ability of the Council to grant planning permissions since then and this has subsequently impacted housing completions. While developments which were not affected by water neutrality requirements have continued to be completed, the permissions have not been granted in sufficient number since September 2021 to replace these dwellings in the Council's 5 year supply, In addition, it has been noted that some of the larger developers have built fewer dwellings because of the current economic conditions, and in some cases, have had to stop building entirely on site while they attempt to find their own solution to water neutrality issue, or wait for the Council's strategic solution (Sussex North Offsetting Water Strategy or SNOWS). This is expected to become operational in autumn 2024, and a priority list is being drawn up, so that the most important developments across the Sussex North "Water Resource Zone" can proceed.

Table 5: Net Housing Plan Requirement in Horsham District 2011-2023

Year	Target	Net Completions	Annual Number above / below 800 target	Cumulative Delivery
2011 - 2012	800	261	-539	-539
2012 - 2013	800	479	-321	-860
2013 - 2014	800	824	+24	-836
2014 - 2015	800	855	+55	-761
2015 - 2016	800	1201	+401	-380
2016 - 2017	800	795	-5	-385
2017 - 2018	800	1125	+325	-60
2018 - 2019	800	1369	+569	+509
2019 - 2020	800	955	+155	+664
2020 - 2021	800	769	-31	+633
2021 - 2022	800	654	-146	+487
2022 - 2023	800	396	-404	+83
Cumulative Target 2011-2023	9,600	9,683	+83	+83