

Hearing Statement

Response in respect of:

**Matter 3, Horsham
District Local Plan
2023-2040**

**Regulation 19 –
Representation**

Numbers:

**1207902, 1211480 and
1211486**



Prepared by:

Pioneer Property Services Ltd

On behalf of:

Executive Summary

- i) This Hearing Statement suggests that:
 - a. flexibility should be included in Strategic Policy 38 wording and supporting text to allow for the housing mix to be agreed through negotiation based on proven local need.
 - b. flexibility should be included in Strategic Policy 39 wording to allow for: Affordable Rent to be provided in first instance rather than Social Rent (unless otherwise negotiated) in line with the underpinning viability testing and for the affordable housing tenure split to be subject to negotiation.
 - c. Strategic Policy 39 wording should be amended to exclude homes without step free access from the requirement to meet M4(2) Standards for Accessible and Adaptable Dwellings.

1 Overview

- 1.1 This Hearing Statement has been prepared by Pioneer Property Services Ltd on behalf of Richborough in response to the Horsham District Local Plan Inspector's Matter 3 bullet points 'a', 'b', 'c' and 'f'.

2 Matter 3: Homes to Meet the Needs of All the Community

2.1 'a' The identified level of affordable housing need

- 2.1.1 The Social Rented Housing and First Homes Study Final Report September 2022 (Doc. H10) is the latest assessment of affordable housing need, updating the Northern West Sussex Strategic Housing Market Assessment Final Report November 2019 (Doc. H01).
- 2.1.2 Doc. H10 concludes a need for 492 rented affordable and 386 affordable home ownership ("AHO") homes per annum (paragraphs 4 and 8, page 1). This equates to c.113% of the 777 homes planned for overall within Strategic Policy 37 and 106% of the updated c.828 annual housing requirement for Horsham District within the Horsham District Local Plan Examination Housing Requirement Topic Paper: Matter 1 March 2026 (paragraph 18, page 7) (Doc. HDCJB04).

- 2.1.3 This suggests the 45% affordable housing applied to greenfield sites and the 35% to 40% affordable housing applied to strategic sites by Strategic Policy 39 to be justified on the basis of need.
- 2.1.4 In viability terms the Local Plan Viability Study Main Report November 2023 (Doc. H12) recommends 45% affordable housing on non-strategic greenfield sites and 35% on strategic sites based on 70% Affordable Rent, 25% First Homes (i.e. discounted market sale) and 5% Shared Ownership (paragraph 9.2, page 113).
- 2.1.5 The wording in Strategic Policy 39 suggests the Council will seek 70% Social Rented affordable housing. Doc. H12 states that:

“Our sensitivity testing has shown that viability reduces with the inclusion of social rented tenures.”

(paragraph 9.2, page 113)

- 2.1.6 Seeking Social Rent requires the affordable housing targets to be reduced to ensure that provision remains viable.

2.2 ‘b’ Whether the proportion of affordable housing sought from each site is appropriate

- 2.2.1 Please see the responses above to point ‘a’ (for the percentage in terms of the quantum of affordable housing) and below to point ‘c’ (for the affordable housing mix and tenure proportions).

2.3 ‘c’ Whether the mix of homes is appropriate

Affordable Housing Size Mix

- 2.3.1 Strategic Policy 38 seeks a mix of housing as evidenced by the latest SHMA. Table 9 in the supporting text to Strategic Policy 38 includes a mix which supporting paragraph 10.30 of the Regulation 19 Horsham District Local Plan 2023-2040 (“LP”) states ‘should be used when planning new development’ based on the ‘SHMA 2019’ (i.e. Doc. H01). Table 9 suggests that 10% of rented affordable and AHO homes should have 4 bedrooms and that 25% of AHO should have 1 bedroom.

- 2.3.2 Updated analysis is included in Doc. H10 Chapter 4 and, whilst this summarises at page 44 that the affordable housing dwelling sizes needed remain as set out in Doc. H01, the conclusion that 10% of rented affordable housing should have 4 bedrooms does not align with the modelling in Doc. H.10 Tables 4.1, 4.2, 4.3 and 4.4 (pages 41 to 42). The latter suggest that 3% to 4% of rented affordable housing should have 4 bedrooms. Doc. H10 paragraph 4.8 also states that ‘the model does not identify any significant need for homes with 4+ bedrooms’.
- 2.3.3 Whilst rented waiting list data in Table 4.5 of Doc. H10 suggests 11% of households require 4 bedroom homes, this is a snapshot in time as opposed to the assessment of additional rented affordable housing need over the Plan period set out in Tables 4.1, 4.2, 4.3 and 4.4.
- 2.3.4 Whilst Doc. H10 Tables 4.1, 4.2, 4.3 and 4.4 (pages 41 to 42) continue to suggest 25% one bedroom AHO and 8% to 11% four bedroom AHO (in line with Doc. H01) any such requirements should be carefully considered against likely purchaser demand / Registered Provider preferences in practice.
- 2.3.5 Households purchasing as opposed to private renting* will aspire to buy two bed or larger homes, although four bedroom AHO will be subject to increased affordability pressures as identified in Chapter 6 of Doc.H10 resulting in a reduced requirement.
- *The Doc. H10 AHO occupancy profile is based on private renters - see paragraph 4.6, page 40 - and this may skew the gross AHO need towards one bed homes.*
- 2.3.6 Whilst Doc. H10 confirms that the affordable housing size mix proportions at page 44 are ‘broad targets’ the targets should still reflect the underpinning analysis.
- 2.3.7 Given recent country wide issues securing Registered Provider interest in section 106 affordable housing it is particularly important to remain flexible on affordable housing dwelling size requirements. The wording in Strategic Policy 38 should ensure that affordable housing mix is negotiated in a flexible way on a site by site basis and Table 9 and paragraph 10.30 should be amended to reflect the above concerns / ensure flexibility.

Affordable Housing Tenure Mix

- 2.3.8 In terms of the affordable housing tenure mix included in Strategic Policy 39 it should be noted that conclusions within Doc. H10 suggest that c.56% (492) of the annual affordable housing need is for rented affordable housing and c.44% (386) is for AHO (paragraphs 4 and 8, page 1). The tenure split proportions sought in Strategic Policy 39 do not reflect this finding.

- 2.3.9 In Table 2.15 (page 26) Doc.H10 explores how the net need for AHO reduces if a supply of non-National Planning Policy Framework (“NPPF”) compliant housing is deducted as well as AHO re-sales.
- 2.3.10 Table 2.15 suggests a net shortfall of 62 AHO and a surplus of AHO in Horsham where a combined supply of existing NPPF compliant AHO re-sales and a further 50% and then 100% (respectively) of open market Lower Quarter house sales (which cannot be categorised as NPPF compliant affordable housing) are deducted from the gross AHO need. Doc. H10 bases these assumptions on lower quartile homes ‘potentially’ being affordable to households eligible for AHO (paragraph 2.83, page 25) and that, based on a report from 2010 and news articles, c.50% of lower quartile open market housing is purchased by first time buyers (paragraphs 2.84 to 2.87, page 25).
- 2.3.11 However, the same approach to supply is not used for rented affordable housing (i.e. a supply of subsidised accommodation in the private rental sector is not deducted from the rented gross affordable housing need).
- 2.3.12 Paragraph 2.95 Doc. H10 only considers the supply of rented affordable housing (rather than lower quartile private rented homes) on the basis that it is cheaper than open market housing with no clear comparison made to lower quartile rental costs and affordability when benefits through the Local Housing Allowance scheme are available if needed. Additionally, Doc. H10 acknowledges that a proportion of households will still need to be supported by benefit payments to afford rented affordable housing.
- 2.3.13 The observations in Doc. H10 do not provide a justification for assuming a non-NPPF compliant supply of affordable housing when establishing the net level of AHO needed, particularly as a similar approach is not applied when examining supply sources available to meet rented affordable housing need (i.e. private rent with subsidy via the Local Housing Allowance scheme).
- 2.3.14 That only NPPF affordable housing should be deducted from the assessed affordable housing need is supported in examining Inspectors’ reports where deducting private rent lettings to reduce the overall need for affordable housing has not been accepted and which confirm that private rented sector housing is not included in the NPPF definition of affordable housing (Inspector’s Report to Eastleigh Borough Council, 11th February 2015 – paragraph 34, Derby City Local Plan Part 1: Core Strategy, Inspector’s Report December 2016 – paragraph 46). The same can be said of lower quartile open market housing.

- 2.3.15 The principle of using non-NPPF compliant affordable housing as a supply source to meet affordable housing need is also considered in a High Court Judgment which states that ‘private rental accommodation is not affordable housing’ and ‘the Inspector was entitled to ignore the fact that state subsidised accommodation in the private rental sector might in practice keep people who would otherwise be accommodated in affordable housing off the streets.’ (paragraph 50, *Oadby And Wigston Borough Council v (1) Secretary Of State For Communities And Local Government (2) Bloor Homes Limited*, Neutral Citation Number: [2015] EWHC 1879 (Admin)).
- 2.3.16 Nothing has changed in the current NPPF that would alter this conclusion – open market housing still falls outside of the definition of affordable housing.
- 2.3.17 A further concern with using non-NPPF compliant supply sources is that such an approach assumes that households eligible for affordable housing will be able to purchase and repair / improve the lowest quartile price properties available on the open market to make these homes suitable to meet their requirements. Whereas the purchase of newbuild AHO homes will ensure the eligible households are provided with a high quality, efficient and suitable home that they can afford.
- 2.3.18 There is no assessment within Doc. H10 of:
- what the quality of these lower quartile homes will be, both in terms of floor area / outside space and whether significant expenditure is needed (and could realistically be afforded) by purchasers to bring them up to a decent standard such as would be comparable to a newbuild AHO product
 - what the ongoing maintenance and running costs will be for these potentially lower quality existing houses compared to a newbuild AHO home (NB: under a New Model Shared Ownership scheme certain essential repairs are the responsibility of the Registered Provider for the first ten years and new homes are covered by a ‘NHBC’ 10 year warranty).
 - what happens if these households cannot secure sufficient suitable market homes for sale or rent – do they also end up on the housing register waiting for rented affordable housing (thus increasing the need for rented affordable housing)?
- 2.3.19 Whilst the Council has decided to prioritise the delivery of rented affordable housing, the tenure split proportions in Strategic Policy 39 do not reflect the Doc. H10 c.56% rented

affordable housing and c.44% AHO tenure split proportions which do not rely on non-NPPF compliant affordable housing sources.

- 2.3.20 When considering whether rented affordable housing should be Social Rent or Affordable Rent Doc. H10 refers in paragraph 5.6 (page 46) and Table 5.1 to Local Housing Allowance (“LHA”) Rates.
- 2.3.21 Horsham District falls across four Broad Rental Market Areas, but Doc. H10 only provides information on Crawley and Reigate LHA rates (NB: LHA rates are often used by Registered Providers and Local Authorities as an affordability indicator for Affordable Rents and applied as a cap on Affordable Rents in Section 106 Agreements).
- 2.3.22 Table 5.1 in Doc. H10 demonstrates that Affordable Rents are lower than the Crawley and Reigate LHA rates across all dwelling sizes.
- 2.3.23 Doc. H10 suggests LHAs are lower in other BRMAs and benefits may not cover housing costs. However, looking at the most recent published LHA rates for the BRMAs which fall across Horsham District and the most recent rents published by the Social Housing Regulator it can be seen that Affordable Rents are lower than the LHA rates across all of the BRMAs for all dwelling types:

Figure 1 – LHA Rate / Affordable Rent Comparison – Horsham District

Broad Rental Market Area (BRMA)	Local Housing Allowance Rates*			
	1 Bedroom (£/week)	2 Bedrooms (£/week)	3 Bedrooms (£/week)	4 Bedrooms (£/week)
Brighton & Hove BRMA	£211.73	£276.16	£333.70	£460.27
Chichester BRMA	£181.35	£218.63	£281.92	£368.22
Crawley & Reigate BRMA	£197.92	£253.15	£314.14	£402.74
Worthing BRMA	£174.90	£218.63	£271.56	£337.15
Affordable Rents in Horsham District**	£170.00	£213.00	£243.00	£281.00

Source:

*Valuation Office Agency, 25/03/2026

**Registered Provider social housing by local authority area (SDR and LADR data) 2025

Registered Providers look-up tool

Accredited official statistics, Registered provider social housing stock and rents in England 2024 to 2025

Data on stock owned and managed by registered providers in England on 31 March 2025

Regulator of Social Housing 28 October 2025

- 2.3.24 Table 5.3 in Doc. H10 suggests that 27% of households unable to rent privately can afford Affordable Rent without receiving any housing related benefits. It also shows that even Social Rent is unaffordable without housing related benefits for 30% of households. As such neither tenure enables ALL households to occupy affordable housing without housing related benefit payments, but either tenure would remain affordable for households needing housing related benefits.
- 2.3.25 Doc.H10 confirms at page 48 that Affordable Rents can flex with greater discounts to open market rents being applied where necessary, although given the comparison in Figure 1 above this does not look to be necessary in Horsham – including a Section 106 clause capping Affordable Rents at whichever is the lower of 80% of local market rents or the LHA rate will ensure the homes remain affordable to all households in need of them.
- 2.3.26 If Social Rent is to be sought within the tenure split through Strategic Policy 39, Doc. H12 suggests that the overall quantum of affordable housing sought within the policy will have to reduce for the approach to remain sound.
- 2.3.27 At minimum it should be reflected in Strategic Policy 39 that a significant proportion of the net affordable housing need (i.e. all households in the Doc.H10 included as needing AHO and a proportion (27%) of the households needing rented affordable housing) can afford more than Social Rents without recourse to housing related benefits - the policy wording should make it clear that, as a baseline, 70% Affordable Rent and 30% AHO will be sought unless otherwise

agreed with the Council through negotiation (although this tenure mix will still under deliver AHO).

- 2.3.28 The reference to ‘at least’ in Strategic Policy 39 should be removed as the viability and the evidence of net affordable housing need does not support more than 70% rented affordable housing being sought.

2.4 ‘f’ Accessibility Policy

- 2.4.1 Paragraph 2 of Strategic Policy 40 should be amended to exclude M4(2) provision being required on homes which do not have step free access. Whilst Doc. H12 applies a standardised cost per unit this is not adjusted to reflect homes without step free access will be required to provide lifts resulting in additional cost and land take.
- 2.4.2 Similar Plan Policy modifications have been requested by Local Plan Inspectors elsewhere, such as in Buckinghamshire on the basis that national guidance Paragraph 010 Reference ID: 56-010-20150327:

“...advises that the Building Regulations for Category 2 or 3 dwellings require step-free access which precludes their provision in multi-storey flatted development without lifts. Lifts are not required and may not be viable in low-rise flatted developments so national Guidance advises that in such cases, neither of the optional requirements in part M should be applied. Compliance with national policy is a soundness test and so a modification is required to exclude low rise flatted developments above the ground floor from the requirement for Category 2 housing.”

(paragraph 254, page 60, Buckinghamshire Council, Vale of Aylesbury Local Plan 2013-2033, Inspector’s Report 19 August 2021 – emphasis added)

Proposed Modifications

Paragraph 1 of Strategic Policy 38:

“Residential development will be supported where it provides a mix of housing sizes and types through negotiation to meet the needs of the District's communities broadly as evidenced in the latest Strategic Housing Market Assessment or any subsequent updates in order to create sustainable and balanced communities. Where relevant, a made or referendum stage Neighbourhood Plan may provide an appropriate local mix. Other factors that may be taken into account include the established character and density of the neighbourhood, the viability of the scheme, and locally and robustly prepared evidence such as a local (parish) housing needs assessment.”

Supporting Paragraph 10.30 to Strategic Policy 38:

“Table 9 sets out an appropriate strategic mix of home sizes for different tenure housing which ~~should be~~ provides a starting point to inform negotiations used when planning new development based on, ~~as evidenced in the SHMA 2019. If this is updated during the Plan period, the most recent evidence base should be used.~~”

Table 9 in Supporting Text to Strategic Policy 38 should reflect the following:

	Rented affordable housing	Affordable home ownership
1 bedroom home	up to 40%	65%
2 bedroom home	up to 33%	
3 bedroom home	up to 28%	35%
4 bedroom home	up to 4%	

Paragraph 2 of Strategic Policy 39:

“~~At least~~ Subject to negotiation, 70% of the affordable homes ~~are~~ should be provided, ~~preferably as social rented homes or otherwise as affordable rented homes~~, and the remaining ~~up to~~ 30% provided as National Planning Policy Framework compliant low-cost home ownership ~~which may include shared ownership and First Homes~~. For First Homes a 40% discount compared with the open market value will apply. ~~Social rented provision will therefore be prioritised over affordable rented in appropriate locations.~~ Alternative tenure mixes (including any reduction in the overall proportion of homes

delivered on-site) will ~~only~~ be considered if ~~evidence is provided to justify this~~ based on proven local need or, in exceptional circumstances, risk of non-delivery (which may include where abnormal site constraints significantly impact on viability or where needed to secure delivery via a Registered Provider).”

Paragraph 2 of Strategic Policy 40:

“All new dwellings, excluding homes without step free access, meet the Optional Standards for Accessible and Adaptable dwellings as set out in the Building Regulations Approved Document M4(2) (or any subsequent Government update).”