



Horsham
District
Council

Horsham District Council Authority Monitoring Report

1st April 2023 - 31st March 2024

CHAPTER 3: Housing

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Introduction

- 3.1 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.
- 3.2 It has been prepared having followed the guidance set out in the National Planning Policy Framework (updated December 2024) and Planning Practice Guidance (PPG).
- 3.3 The Authority Monitoring Report has a base date of 1st April 2024.

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

Horsham District Planning Framework

- 3.4 The adopted 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.
- 3.5 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 1,500 homes throughout the District in accordance with the settlement hierarchy, allocated through Neighbourhood Planning;
 - 750 windfall units

Local Plan Review

- 3.6 Paragraph 34 of the NPPF (December 2024) states that policies in local plans and spatial development strategies should be reviewed at least every five years to assess whether they need updating. Horsham District Council is currently in the process of reviewing its development plan and formally submitted a draft plan for examination to the Planning Inspectorate on 26 July 2024. Following the appointment of an Inspector to hold the examination an initial round of Local Plan hearings took place from 10 December to 12 December 2024. On 16 December 2025, the Inspector wrote to the Council cancelling further scheduled hearings. On 7 April 2025, immediately before the publication of this AMR document, the Council received the Inspector's Interim Findings Letter (IFL). The letter was published on 22 April, due to pre-election arrangements preventing immediate publication. The Inspector concluded that the Plan had failed the Duty to Cooperate (DtC) and recommended that the Plan should be withdrawn by the Council. At the time of writing, the Council is considering the contents of the letter, and its next steps.

Natural England Position Statement September 2021

- 3.7 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 and habitats in the Arun Valley.
- 3.8 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.
- 3.9 The outcome of this Position Statement is that Horsham Council is unable to determine current planning applications or adopt Local or Neighbourhood Plans unless it can be shown that they are water neutral. While this does 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.
- 3.10 This AMR is based on the position of a) developments being able to demonstrate water neutrality and b) the introduction of the Sussex North Offsetting Water Strategy. Appendices 1-3 are produced on this basis. The impact of this scheme and the impact of water neutrality will need to be kept under review in light of how the Council chooses to move forwards following receipt of the Inspector's IFL, or updates to the requirements or implementation of water neutrality. This will be set out in future monitoring reports.

Housing Delivery and Supply 2023-2024

Housing Delivery 2023-2024

- 3.11 There were 470 gross completions and 18 demolitions between 1st April 2023 and 31st March 2024, giving a net completion figure of 452 dwellings. There were 329 net completions on large sites (5+ units) and 123 net completions on small sites (1-4 units).
- 3.12 **Appendix 1** lists the dwelling completions for 1st April 2023- 31st March 2024.

Supply from Planning Permissions 2023-2024

- 3.13 Between 1st April 2023 and 31st March 2024, planning permission was granted for 363 dwellings. In terms of the split between large (5+) and small (1-4 dwellings) sites, there were 305 permissions granted on large sites and 58 permissions on small sites. This supply reflects the continued difficulties in the ability for developers to demonstrate that their proposals were water neutral, in the absence of a wider strategic solution that is being prepared by the Local Planning Authorities affected by the requirement for water neutrality.
- 3.14 **Appendix 2** lists all residential permissions granted between 1st April 2023 and 31st March 2024.

Housing Delivery Test (HDT)

- 3.15 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 by the government in February 2019. 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. These are summarised as follows:
- Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority's total housing requirement over the previous three years, then the authority is required to publish an action plan to assess the cause and identify actions to increase future delivery.
 - Where delivery has fallen below 85% of the total housing requirement over three years,

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

² Paragraph 79 of the National Planning Policy Framework (12 December 2024)
<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

a 20% buffer should be added to the five-year supply of deliverable sites, in addition to the requirement to publish 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.

3.16 Historically, Horsham has performed very well against the HDT measurement. As outlined in paragraph 3.13, the requirement for development proposals to demonstrate water neutrality has proven very challenging and this has had a very significant impact on the ability for development to come forward since September 2021. Although this position is not of the Council's making, it has negatively impacted the delivery rate over the past three years.

3.17 The latest HDT measurement (2023) for Horsham was published on 12 December 2024 and was 62% as set out in Table 1 below. This result is based on the monitoring years, 2020-21, 2021-2022 and 2022-23. This therefore requires the Council to publish an Action Plan³, and apply a 20% buffer to the five-year supply calculation. In addition, the presumption in favour of sustainable development applies in this context⁴.

Table 1: Housing Delivery Test (HDT) Results 2018 -2023

Year	HDT result
2018	141%
2019	148%
2020	155%
2021	147%
2022	98%
2023	62%

³ <https://www.horsham.gov.uk/planning/planning-policy/authority-monitoring-report>

⁴ The Presumption in favour of sustainable development also applies where a Local Planning authority cannot demonstrate a five-year housing supply.

Five Year Housing Land Supply Calculation

- 3.18 The five-year housing land supply is calculated with a base date of 1st April 2024.
- 3.19 Whilst no decision on the next steps have been taken in response to the Inspector's Initial Findings Letter, the Council has based its five-year supply on the standard housing methodology target calculations set out in the NPPF published on 12 December 2024.

Housing Requirement

- 3.20 Paragraph 78 (December 2024) of the NPPF states:

"Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old".

- 3.21 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, according to paragraph 78 of the NPPF the requirement of Policy 15 is no longer the correct starting point for the five-year supply calculation.
- 3.22 In accordance with the NPPF, there is therefore a requirement to assess the housing requirement against the local housing need. The Standard Method calculates the local housing need (at December 2024) to be 1,357 per year. **This equates to 6,785 for the five-year period (1 April 2024 – 31st March 2029).**

Buffer

- 3.23 Paragraphs 78 goes on state that supply of specific deliverable sites should include a buffer of:
- *"a) 5% to ensure choice and competition in the market for land; or*
 - *b) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply; or*
 - *c) From 1 July 2026, for the purposes of decision-making only, 20% where a local planning authority has a housing requirement adopted in the last five years examined against a previous version of this Framework, and whose annual average housing requirement is 80% or*

less of the most up to date local housing need figure calculated using the standard method set out in national planning practice guidance.”

- 3.24 As Horsham District has a 62% result from the 2023 HDT results, a 20% buffer must be added to the target.

Dealing with past under delivery

- 3.25 Planning Practice Guidance (paragraph 013⁵) states that any buffer should also be applied to any shortfall of housing delivery against identified targets. The Horsham District Planning Framework has a start date of 2011. As set out in [Table 2](#) there is now an undersupply of 738 dwellings in the provision of dwellings between 2011/12 and 2023/24, against the relevant housing delivery target for each year.

Table 2: Net Housing Plan Requirement in Horsham District 2011-2024

Year	Target	Net Completions	Annual Number above / below 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	897	769	-128	+536

⁵ PPG, July 2019, Paragraph 013 Reference ID:68-023-20241212

Year	Target	Net Completions	Annual Number above / below target	Cumulative Delivery
2021 – 2022	948	654	-294	+242
2022 - 2023	911	396	-515	+273
2023 - 2024	917	452	-465	-738
Cumulative Target 2011-2024	10,873	10,135	-738	-738

3.26 Planning Practice Guidance, paragraph 022⁶ 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”. It goes on to say that alternative approaches to dealing with the undersupply must be agreed at a Local Plan examination.

3.27 Horsham Council, therefore, considers that is appropriate to spread any shortfall over the next five year period (2024/25 to 2028/29). Taking the total undersupply of 738 homes, this means that a further 148 homes per annum should be added to the five year land supply calculation, with the buffer applied to that total.

3.28 The Council's 5 Year housing requirement for 2024/25 - 2028/29 is set out in [Table 3](#).

Table 3: Total Five Year Housing Requirement

		Total
Annual Requirement using Standard Method	1,357 x 5	6,785

⁶ PPG, July 2019, Paragraph 022 Reference ID:68-031-20190722

Shortfall spread over five year period	148 x 5	738
20% Buffer (of annual req + shortfall)	$(6,785 + 738) \times 0.2$	1,505
TOTAL FIVE YEAR SUPPLY REQUIREMENT		9,028

Calculation of the 5 year Housing Supply

3.29 In determining the five-year housing supply for Horsham District, identified development sites have been split into two categories.

Category A Sites

3.30 The sites falling within Category A include:

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

3.31 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

3.32 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 an outline consent in place or no consent; and
- Windfall developments

3.33 The Council's latest supply position, as of 1st April 2024, is summarised in Table 4. The full details of the supply are set out in **Appendix 3** which sets out a projected Trajectory for housing supply in the District between 1st April 2024 and 31st March 2029. The supply can be split into five main sources which is detailed in the paragraphs below.

Table 4: Breakdown of projected 5-year Housing Land Supply 1 April 2024 to 31 March 2029

Column A	5 year supply 2024-2029
1.Delivery from Strategic Site Allocations	872
2.Delivery from Committed large Sites (5 + dwellings)	277
3.Delivery from Small Sites (1-4 dwellings)	170
4.Neighbourhood Planning	201
5. Windfall Development	240
5 YEAR SUPPLY	1,760 dwellings

Supply from Strategic Sites

3.34 **Appendix 3** shows that there is a total of 872 dwellings from the Strategic Sites category that are expected to be completed between 2024 and 2029. Of these, 632 are from detailed permissions (Category A) while 240 are expected to come from outline permissions (Category B). These sites comprise Land North of Horsham; Highwood (Horsham); Land West of Southwater; and Kilnwood Vale (West of Crawley). Supply from Committed Large Sites (5+ Dwellings)

3.35 **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 277 dwellings to be completed in Category A sites between 2024 and 2029, while 0 dwellings are expected to be completed for Category B sites. That is a total of 277 dwellings.

Supply from Small Sites (1-4 Dwellings)

3.36 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.

- 3.37 For 2024-2029, it is currently expected there will be 170 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

- 3.38 **Appendix 3** shows 201 neighbourhood plan dwellings are programmed for completion between 2024 and 2029.

Supply from Windfall Development

- 3.39 The NPPF defines “windfall sites” as: “sites not specifically identified in the development plan” (Annex 2). Paragraph 75 of the NPPF 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.”.*
- 3.40 The Council has carried out and published an analysis of historic windfall trends going back to 2012. At the Sandy Lane Henfield⁷ appeal, held between 30 June - 1 July 2021, the Inspector agreed that a figure of **605 dwellings** was an appropriate windfall allowance.
- 3.41 Since 2021, the Council carried out further analysis on windfall development and the Horsham District Council Windfall Study⁸ was published in January 2024 as part of the Council's Local Plan Evidence Base. This 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 240 dwellings (2 years of windfall supply) for years 4 and 5. A windfall allowance for development within the first 3 years of the five-year period has not been included, as many of the homes that come forward within this period would have already been captured within the Council's trajectory as commitments.

⁷ Appeal Decision, Sandy Lane, Henfield 19 August 2021 APP/Z3825/W/20/3261401

⁸ https://www.horsham.gov.uk/_data/assets/pdf_file/0005/132737/HDC-Windfall-Paper-2024.pdf

Five Year Land Supply Calculation

- 3.42 **Table 5** below sets out the Council's five-year supply calculation. This shows that Horsham District has a land supply of 1 year and is unable to demonstrate a five year supply.

Table 5: Five Year Land Supply Calculation

Land Supply element	Number of Dwellings / Land Supply
Total Housing Supply in years 1-5	1,760
Total 5 Year supply requirement	9,028
Supply deficit	7,268
FIVE YEAR HOUSING LAND SUPPLY (Supply / Requirement) x 5	1.0 YEARS

Gypsy and Traveller pitches supply and trajectory

- 3.43 The Council undertook a Gypsy and Traveller Accommodation Assessment (GTAA, November 2023) and a Targeted Update (September 2024) was also produced in response to changes regarding the definition of who is a gypsy or traveller for the purposes of planning policy as set out in the Planning Policy for Traveller Sites (PPTS) document. Collectively, the work identifies a need for 50 pitches in the period between 2023/24 and 2027/28.
- 3.44 In the last monitoring period 1 pitch has been delivered Parsons Field Stables, Pulborough (DC/19/2105) and 9 further pitches have been approved.
- 3.45 In the last monitoring period, 9 pitches have been approved:

Table 6: Gypsy & Traveller Site Trajectory

Site	App Ref	Decision Date	Pitches
Land Parcel At 5 20128 116244 Stonepit Lane Henfield	DC/24/0367	21/11/2024	3
Pear Tree Farm Furners Lane Woodmancote Henfield	DC/21/1796	29/02/2024	5
Redgates, Burnthouse Lane, Lower Beeding	DC/24/0273	26/04/2024	1

		TOTAL	9
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- 3.46 PPTS paragraph 28 explains that “if a local planning authority cannot demonstrate an up-to-date five-year supply of deliverable sites, the provisions in para 11(d) of the National Planning Policy Framework apply.” As is set out above, the Council cannot demonstrate a five-year supply of deliverable sites for pitches. Therefore, at the time of writing and subject to applications meeting the requirements of relevant footnotes contained in NPPF para 11 (d), the ‘tilted balance’ is engaged with respect to gypsy and traveller applications.

Conclusions & Next Steps

- 3.47 It remains the case 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 ability of the Council to grant permissions since September 2021 to replace these dwellings in the Council’s 5 year supply has been seriously limited.
- 3.48 In addition, some larger developers have built fewer dwellings while they attempt to find their own water neutrality solution or wait for the Council’s strategic solution (Sussex North Offsetting Water Strategy or SNOWS) to be launched.
- 3.49 Although not part of this monitoring year it should be noted that there has been a small improvement in the Council’s ability to grant permissions in recent months. This has been as a result of water neutrality solutions which have been devised by the water industry. In addition, this Council together with other authorities in North West Sussex has made progress on the development of a water offsetting scheme (SNOWS). This has enabled some applications to be permitted with the use of grampian conditions.
- 3.50 SNOWS is now in the a beta launch phase, with the scheme expected to become fully operational in spring 2025. It is anticipated that this will start to unlock more developments which have been stalled. This may assist in improving the Council’s five year supply position, with the potential for more development able to take place in years 4 and 5. This position will be kept under review with updates made to the Councils supply position if appropriate. In the meantime, other actions set out in the Council’s Action Plan document <link> will also continue to be pursued.

- 3.51 Many of these sites have been stalled due to the requirement to demonstrate water neutrality on their sites.