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Horsham Housing Delivery Study Update

Final Report

Iceni Projects Limited on behalf of
Horsham District Council

November 2023

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ON BEHALF OF HORSHAM
DISTRICT COUNCIL

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Horsham Housing Delivery Study
Update
FINAL REPORT

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APPENDICES

A1. ALTERNATIVE SITES TRAJECTORIES

1. INTRODUCTION

- 1.1 Horsham District Council has commissioned Icenl to prepare a Housing Delivery Study Update building on the 2020 Housing Delivery Study. The core purpose of the updated report is to test deliverability in market capacity terms of the Council's Preferred Strategy set out in the emerging Regulation 19 Pre-Submission Draft Local Plan.
- 1.2 As part of this exercise, the update report brings the analysis around housing market dynamics and performance up-to-date, reviews and draws together wider elements of the Council's evidence base and takes account of more recent information which provides a greater level of detail around timescales for the main strategic sites proposed for allocation in the emerging Local Plan.
- 1.3 This report takes into account submissions from strategic site promoters regarding lead-in times and build out rates and draws on evidence from previous submissions and other evidence base documents as well as addressing the latest position on water neutrality issues impacting development in the District.

Horsham Local Housing Need

- 1.4 The Government's standard method for calculating local housing need, at the time of writing, continues to be based on taking the 2014-based Household Projections to calculate average annual household growth over the next 10 years; and then applying an upward adjustment based on the latest median workplace-based affordability ratio. In some areas the uplift is 'capped'; however, this is not the case in Horsham.
- 1.5 Following the publication of the 2020 Housing Delivery Study, the Government revised the standard method by introducing a new fourth step to the calculation in December 2020. This additional step states that a 35% uplift should be applied for urban local authorities in the top 20 cities and urban centres. This is not applicable to Horsham District.
- 1.6 Taking account of the latest data, the local housing need is for 911 homes per annum or 15,487 homes over the 17-year plan period of 2023-40. The calculation is set out below.

Table 1.1 Standard Method Housing Need Calculation

	Horsham
Households 2023	62,186
Households 2033	67,972
Change in households	5,786
Per annum change	579
Affordability ratio (2022)	13.18
Affordability uplift to household growth	157%
Total need (uncapped)	911
Minimum Local Housing Need	911

- 1.7 In the Horsham District Local Plan Regulation 18 Consultation in Spring 2020, the Council set out a need to test whether the Local Plan Review housing requirement should be set at 1,000, 1,200 or 1,400 homes a year with the higher figures accommodating higher levels of unmet housing needs from neighbouring areas.
- 1.8 Our 2020 report sought to test the realism and deliverability of these scenarios, and different potential spatial options for the distribution of development, to inform consideration of the potential to contribute to meeting unmet housing need and reach a view on what level of housing provision might be realistic to provide in the District from a market capacity perspective.
- 1.9 The core purpose of this updated report is to test deliverability, in market capacity terms, of the Council's Preferred Strategy set out in the emerging Regulation 19 Local Plan.

Structure of the Update Report

- 1.10 This update report is structured as follows:
- Section 2: Evidence Base Update
 - Section 3: Housing Market Dynamics
 - Section 4: Delivery of Strategic Site Options
 - Section 5: Review of the Council's Preferred Option
 - Section 6: Conclusions.

2. EVIDENCE BASE AND POLICY UPDATE

2.1 This section includes a review of the latest key evidence base documents and policy changes published since the 2020 Housing Delivery Study which are relevant to overall housing delivery and the delivery of strategic sites. This includes consideration of the latest policy position with regards to water neutrality, as well as updates to the evidence base - including the Horsham Infrastructure Delivery Plan, the Horsham Transport Study and the Horsham Local Plan Viability Study.

2.2 A full review of relevant national and local policy is set out in Section 3 of the 2020 Housing Delivery Study and does not need to be repeated herein. The focus instead is on other key evidence documents which address issues which could affect the timing and pace of housing delivery.

Water Neutrality Position

2.3 Horsham District is situated in an area of serious water stress, as identified by the Environment Agency (“EA”) Water Stressed Areas Classification. The District is supplied with water by Southern Water from its Sussex North Water Supply Zone. Iceni has engaged with the Council’s Water Neutrality Project Manager in order to provide an overview of the latest position.

2.4 A position statement was issued by Natural England on 14th September 2021 regarding the Water Supply Zone. The statement effectively states that it cannot be concluded that the current rate of water abstraction in the Water Supply Zone is not having an adverse effect on the following protected sites:

- Arun Valley Special Area of Conservation (“SAC”)
- Arun Valley Special Protection Area (“SPA”); and
- Arun Valley Ramsar Site

2.5 Natural England state that as it cannot currently be concluded that the existing abstraction within the Water Supply Zone is not having an impact on the Arun Valley. It has therefore been advised that any new development within areas reliant on water abstracted from these sites, including new development within Horsham District, must not add to this impact.

2.6 As a result, Horsham District Council is unable to determine current planning applications positively, unless the new development located within the Sussex North Water Resource Zone achieves water neutrality, whereby total water use in the region after the development, insofar as it impacts on the Arun Valley sites, must be equal to or less than the total water use in the region before the new

development. If this test is not met, development will not meet the legally binding requirements of the Habitat Regulations.

2.7 However, at this stage, practical, on-site solutions for achieving net water neutrality within new development are limited. For larger, more strategic sites, opportunities to establish new boreholes (which can provide an alternative to abstraction affecting the Arun Valley sites) may be present, but this must be balanced with the potential downstream impacts on groundwater supplies and the potential for contamination. On smaller sites, this solution is often not viable, with few alternatives available.

2.8 Horsham District Council is therefore currently working closely with Southern Water, Natural England and a number of other affected Councils, to find a solution. Together, Chichester District Council (CDC), Crawley Borough Council (CBC), Horsham District Council (HDC), Mid Sussex District Council (MSDC), South Downs National Park Authority (SDNPA), and West Sussex County Council (WSCC) – collectively the ‘Sussex North authorities’ – prepared a Water Neutrality Study: Mitigation Strategy, published in November 2022. This Strategy set out measures that the authorities could implement as a solution to the water neutrality issue, to ensure that local plan growth could be supported, until Southern Water develop a permanent, strategic solution through their Water Resource Management Plan.

2.9 The Mitigation Strategy sets out the following as a potential means of achieving water neutrality:

- Reduction of water consumption within new development as far as practicable, with emerging Local Plans requiring new development to limit internal water consumption within residential development to no more than 85 litres per person per day (l/p/d). This goes beyond the requirements of the Building Regulations Optional Standard of 110 l/p/d, and the standards set out within the water category of the BREEAM certification.
- The implementation of a local authority-led offsetting scheme. The Mitigation Strategy provided details on the types of offsetting measures that could be included in such a scheme, how it would interact with Southern Water’s obligations within its Water Resource Management Plan and, at a high level, how the scheme would operate.

2.10 Following on from the publishing of the Water Neutrality Study: Mitigation Strategy, the Sussex North Offsetting Water Scheme (SNOWS) is now being developed on behalf of the Sussex North authorities. At this stage, it is intended that SNOWS will consider the use of four different options to provide water savings on existing development within the Sussex North Water Resource Zone(SNWRZ):

- Installation of flow regulator devices into local authority and registered provider housing stock;

-
- Installation of water-saving measures into school and educational establishment buildings;
 - Installation of water-saving measures into non-residential properties, potentially including those owned by the Sussex North authorities; and
 - Large-scale interventions at golf courses and outdoor leisure facilities to install water-saving measures and develop scheme to reduce reliance on mains water for irrigation purposes, such as the establishment of on-site water supply reservoirs.

2.11 It is intended that the water savings realised through the implementation of the SNOWS strategy outlined above will be 'banked' as 'water credits'. In doing so, this would facilitate the establishment of an offsetting scheme that would enable the purchasing of credits by applicants to support the delivery of local plan-supported growth within the region.

2.12 Access to SNOWS would be managed through a prioritisation approach to ensure a range of development types and scales are able to come forward within the relevant Local Plan timescales to meet required growth. The North Sussex authorities are currently working on the details of the application prioritisation approach, with the capacity of proposals needing to be taken into account, as well as their deliverability. Strategic sites will need to be accounted for, however in order to clear the backlog of applications affected by this issue, a range of development types and sizes will need to be able to access the scheme to allow for a range of sites to come forward.

2.13 To date, formal funding has been requested via DEFRA (Natural England's Nutrient Mitigation Scheme) and DHULC, including via a bid on the Planning Skills Delivery Fund. It is hoped that this funding would cover two members of support staff for 12 months, as well as legal support, with the scheme itself to be self-funding through developer contributions. As it stands, it is considered likely that the SNOWS scheme will come forward in the first half of 2024, subject to funding being made available.

2.14 Icenl has sought to factor in the potential of SNOWS when reviewing the lead-in time of strategic sites as part of our review of the Housing Trajectory alongside site-specific information with regards to bespoke on-site solutions and baseline capacity.

Horsham Infrastructure Delivery Plan (December 2022)

2.15 The Horsham Infrastructure Delivery Plan ("IDP") has been updated to align with the proposed strategy set out in the Regulation 19 Submission Draft Local Plan. The IDP is a live document, and the latest iteration was published in December 2022. The IDP is a key piece of the evidence base which assesses the quality and capacity of infrastructure within the District and sets out what further infrastructure is likely to be required to support new development.

-
- 2.16 The latest IDP seeks to address strategic infrastructure requirements both on a District-wide level as well as a local level. The assessment of future infrastructure is linked to the provision of housing proposed in the emerging Regulation 19 Submission Draft Local Plan - which is currently 13,212 homes over a 17 year period to 2040 including the delivery of the following strategic sites proposed as draft allocations:
- Land West of Ifield: 3,000 homes of which 1,600 in the plan period;
 - Land West of Southwater: 1,000 homes of which 735 in the plan period; and
 - Land East of Billingshurst: 650 homes all within the plan period.¹
- 2.17 The previous IDP published in January 2020, linked to the Regulation 18 Draft Local Plan, sought to test three potential scenarios around housing need including a low, medium and high growth scenario – (1) 1,000 homes per annum; (2) 1,200 homes per annum and (3) 1,400 homes per annum. Although the 2020 IDP does not represent the most up to date assessment, it provides a broader assessment of all potential strategic sites not shortlisted for allocated in the Regulation 19 Draft Local Plan. As a result, Icenl has considered both iterations of the IDP in assessing strategic sites in Section 5 of this update report.
- 2.18 The IDP deals with – (1) the existing infrastructure provision within the District to provide a baseline scenario which aims to identify existing growth pressures within the District; (2) planned provision including an outline of committed works, funding and projects; and (3) future considerations surrounding the likely capacity issues that may occur as a result of delivering the Horsham District Local Plan. This covers a range of infrastructure categories including transport, education and utilities.
- 2.19 An Infrastructure Delivery Schedule is then set out which seeks to establish the importance of certain types of infrastructure to the delivery of the emerging Local Plan. This includes ‘critical’ infrastructure that is vital in ‘unlocking’ the development of a site; ‘essential’ infrastructure that may not be immediately necessary in the commencement of development, but without which development would fail in the longer term; and ‘desirable’ infrastructure, which is services and facilities considered to be required for sustainable growth and to contribute towards good place-making.
- 2.20 The Delivery Schedule provides a breakdown of the specific infrastructure required, which sites including strategic site(s) it relates to, the provider, indicative cost (Regulation 19 version sites only),

¹ Quantums within the plan period have been informed by this Study

funding sources and delivery timescales. This information has been factored into our overview of the Regulation 19 strategic sites and their anticipated delivery timescales later in this report.

Horsham Transport Study (May 2021)

- 2.21 The Horsham Transport Study was formally published in May 2021 and was prepared by Stantec. The Study provides a transport assessment to support the emerging Local Plan and has been undertaken using a SATURN highway model, which is an industry standard modelling package.
- 2.22 The latest Transport Study focusses on the preferred scenario set out in a draft version of the Regulation 19 Submission Draft Local Plan that was considered by Cabinet in July 2021 but never taken forward. However, the transport assessment had initially been based on five spatial scenarios to inform the preferred Local Plan strategy. The work considered, at a high level, the sustainable travel mitigation and impact on traffic levels across Horsham District and any impacts within neighbouring authorities and on the Strategic Road Network (“SRN”), which in relation to the District is the A23 and the M23.
- 2.23 Including existing commitments, the transport assessment considered the following scenarios:
- Scenario 1: 1,000 homes per annum – includes no new settlements
 - Scenario 2: 1,164 homes per annum – includes a new settlement at the North East of Henfield
 - Scenario 3: 1,164 homes per annum – includes a new settlement at Buck Barn
 - Scenario 4: 1,164 homes per annum – includes a new settlement at Adversane
 - Scenario 5: includes all three new settlements²
- 2.24 The transport assessment modelled all scenarios assuming both with and without physical mitigation. After the application of the sustainable transport measures within each of the five scenarios, further analysis was conducted identifying the locations where physical junction mitigation may still be required.
- 2.25 The report stated that, of the five scenarios, Scenario 3 – which included a new settlement at Buck Barn - was assessed to have highways impacts of a lower relative magnitude in comparison to other scenarios whilst still delivering a significant quantum of development for the Local Plan. It should be

² It should be noted that a homes per annum figure is not explicitly set out in the report

noted that a number of amendments (including the removal and addition of sites) were made to Scenario 3 to arrive at the Preferred Strategy.

- 2.26 The outputs of the assessments and proposed mitigation measures for the full shortlist of the strategic sites are factored into our assessment of the strategic sites in this update report.

Horsham Local Plan Viability Study (2023)

- 2.27 The Horsham Local Plan Viability Study was first published in July 2021 and updated in 2023. It has been prepared by Aspinall Verdi. The core purpose of the document is to assist in identifying viability impacts of emerging planning policies in the draft Local Plan and includes specific testing of candidate strategic sites. Overall, the report finds that the draft policies are viable and therefore deliverable.
- 2.28 The consultants, as part of the strategic site testing, carried out consultations with landowners, promoters and developers associated with the strategic site options. This included gathering information, via a Proforma, on the nature of development, site-specific circumstances (i.e. opportunities/constraints), ownership details and their approach to viability testing. A series of virtual meetings were also carried out with site promoters.
- 2.29 The Study carried out a viability assessment of the strategic sites, including 35% affordable housing and all draft policy costs including education, biodiversity and water neutrality contributions. The Study considered the expected capacity and the proposed delivery rates put forward by the site promoters within the plan period - as part of the exercise, the consultants requested further information from site promoters where appropriate.
- 2.30 The Study assumes a standard lead-in time for strategic sites, as set out below, for the purposes of its viability analysis.

Table 2.1 Viability Study Assumptions on Lead-in Times

	Months	Years
Planning application submit and determine	12	1
Discharge of pre-commencement conditions	6	0.5
Site preparation and infrastructure	6	0.5
Residential start on site to first dwelling completions	9	0.75
Total lead-in time from application submission	33	2.75

- 2.31 Overall, the viability assessment found that all strategic sites options are viable (i.e. the residual value generated in the appraisals provides a sufficient premium above the (agricultural) existing use land

values to support the development of the sites and is above any minimum land value where known) and generates sufficient return to the developer(s).

2.32 In respect of the three strategic sites to be taken forward in the draft Plan, the Study finds that the residual value generated reflects an appropriate uplift on agricultural values. For East of Billingshurst it finds that assuming there are no contractual minimum payments, there are no significant delivery concerns. For West of Ifield, the Viability Study identifies that upfront infrastructure delivery – including the Western Relief Road and Secondary School – could generate cashflow issues, but there is the potential for Homes England to manage these. No specific concerns are raised in respect of West of Southwater.

2.33 IcenI has drawn on the information set out within the Viability Study, where relevant, in our updated assessment of the shortlist of strategic sites identified in the Regulation 18 version of the Draft Local Plan in Section 4 of this report, and in drawing conclusions on the overall housing trajectory.

3. HOUSING MARKET DYNAMICS

- 3.1 This section provides an updated analysis around the District's housing market conditions and dynamics – as well as a brief update on national housing delivery. This includes consideration of the current market with our analysis considering trends in housing supply, as well house prices, sales and rental values. The market has moved on significantly since the 2020 Housing Delivery Study which was a time of significant uncertainty regarding the future housing market, and indeed economic, outlook.
- 3.2 A component of our analysis considers housing delivery in terms of rates of housing stock growth (i.e. what growth in the housing stock is seen per year) as a means of appraising housing delivery between areas of different sizes, and considering what levels of housing delivery performance might be feasible.
- 3.3 The analysis includes qualitative evidence drawn from Icen's engagement with local estate and letting agents in different areas of Horsham District to understand local market dynamics at the current point in time.

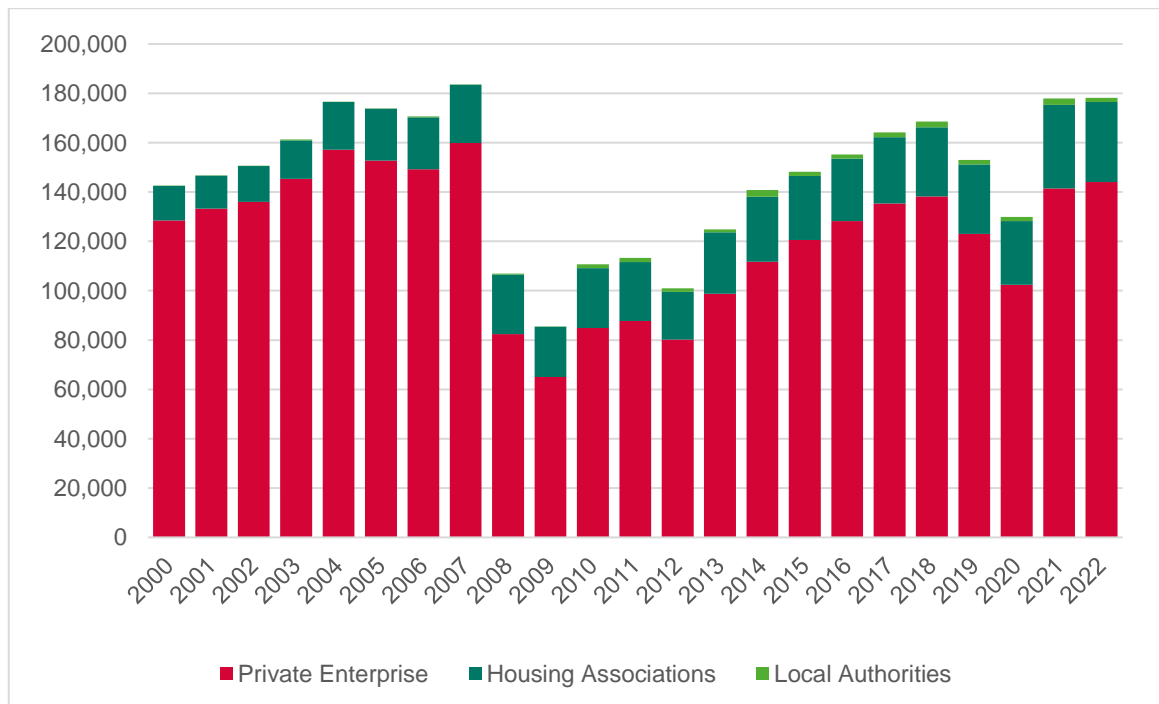
The National Housebuilding Trend

- 3.4 In this sub-section, we have sought to provide an update on more recent national trends in housing delivery. By way of context, the level of housebuilding across England increased year-on-year from 2001 to the peak of the last housing market cycle, increasing from delivery of 129,510 homes in 2001 to 176,640 in 2007 as Figure 3.1 indicates. This growth in housebuilding was supported by:
- A period of sustained economic growth;
 - Strong availability of mortgage finance;
 - Historically low interest rates; and
 - Attractiveness of housing as an investment.
- 3.5 These factors, together with an upturn in population growth rates (influenced in part by growing international migration), saw strong housing demand and an upturn in housing supply. Effective demand for housing over this period increased strongly. Whilst housing supply increased, it was unable to keep pace with the rapid growth in demand, and as a result we saw strong growth in house prices in real terms and relative to incomes.
- 3.6 With the financial crisis, driven by issues associated with sub-prime mortgage lending, the market turned dramatically in 2008. Housebuilding levels fell dramatically, the availability of mortgage

finance became more restricted. The situation did not start to ease until 2013 when fluidity within financial markets started to improve, and we saw Government intervention through the Help-to-Buy and Funding for Lending schemes, both of which have been significant in supporting a recovery in effective demand for housing for sale.

- 3.7 The market is influenced by wider macro-economic stability and confidence, which was affected by the UK's decision to withdraw from the EU over the period since 2016. The Covid-19 pandemic resulted in a temporary pausing of market activity in Spring 2020 when the Government imposed a national lockdown. However the market has recovered and performed pretty strongly between 2020-22 as households have spent more time in their homes and reassessed their living circumstances; with market performance further supported by the Government's Stamp Duty Holiday.
- 3.8 In 2022, new-build housing completions slightly increased from the previous year: but private sector completions remained relatively stable from 141,420 completions in 2021 to 143,990 completions in 2022 which is equal to a marginal increase of 1.8%. This was accompanied by a housing association decline of 4% from 33,920 to 32,550.
- 3.9 Housing delivery rates across both private sector and housing associations recovered from the impacts of the Covid-19 pandemic and by 2022 were back to the highest rates since the 2008 economic crash, with 2022 having the highest completion rates since 2007.

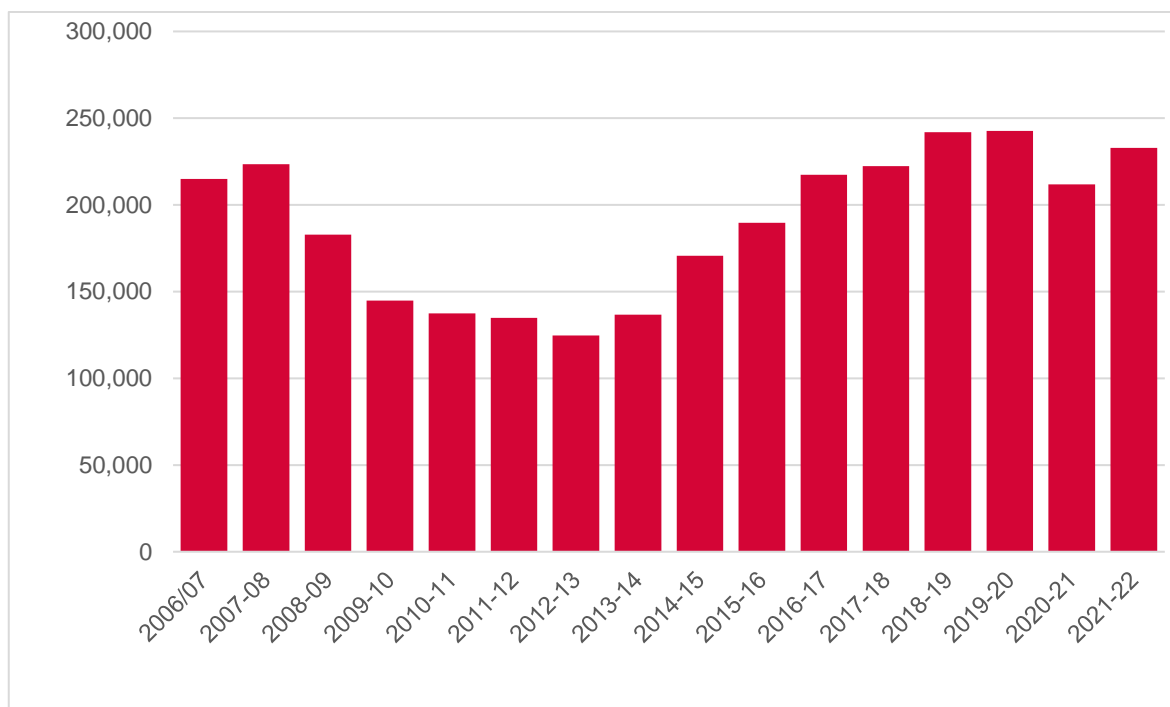
Figure 3.1: New-Build Housing Trends Across England, 2000-2022



Source: MHCLG Live Table 244

3.10 The latest available MHCLG data shows that a total of 211,870 homes in 2020/21 and 232,820 homes in 2021-22 were delivered. It should be noted that housing completions in Figure 3.2 are higher than Figure 3.1 due to the inclusion of other categories of housing supply including conversions, changes of use and other gains³. Complete data for 2023 is not currently available.

Figure 3.2: Trends in Net Additional Dwellings in England, 2006-22



Source: MHCLG Table 120

Housebuilding Trends in Horsham District

3.11 Next, we have moved on to update the analysis around housing delivery in the District. The Council holds housing completions data in Horsham District over the period since 2001 and this is shown in the Figure below. The analysis indicates that net completions over the 2001-22 period in the District have averaged 630 homes per annum, but there are clear differentials between different periods:

- Completions over the pre-recession period (2001-9) averaged 420 homes per annum. This compares to a Structure Plan housing requirement equivalent to 447 homes per annum.
- Over the 2009-13 period, net completions of 284 homes per annum were recorded. This was a period in which housing delivery was significantly impacted by the credit crunch and housing

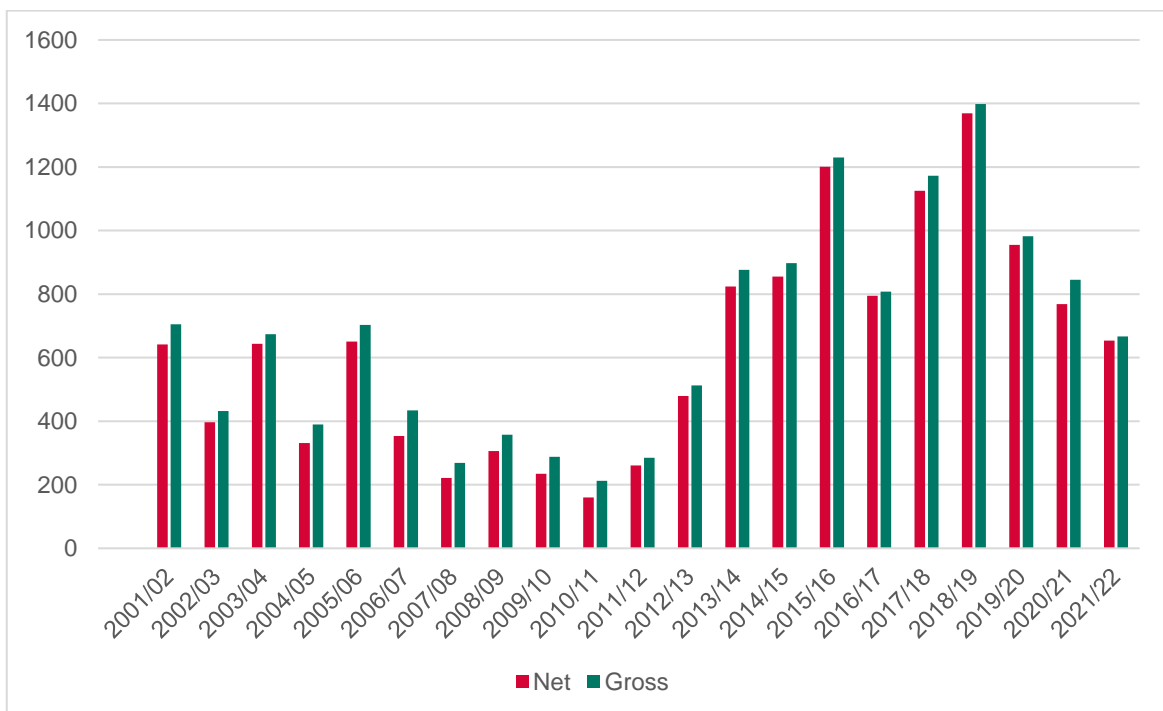
³ The provision of student accommodation and older persons specialist housing are not included in these figures.

market downturn. For much of this period the South East Plan was in place which set out a housing target equivalent to 650 homes per annum.

- Over the period since 2013, net housing delivery has averaged 950 homes per annum – a significantly higher level. This compares to an HDPF target of 800 homes per annum.
- Higher levels of housing delivery over the period from 2015 is likely to have been influenced by a combination of economic circumstances, and the planning environment whereby the Council adopted the Horsham District Planning Framework (HDPF) in 2015. It is common for there to be a spike in housing completions around the time of a plan adoption and immediately thereafter.
- The more recent dip in housing completions will have been influenced by nation-wide factors such as Brexit and Covid-19 followed by inflationary pressures and associated mortgage rate increases; as well as the slowdown on development caused by water neutrality issues which has influenced the pipeline of consents coming through.

3.12 There is recent evidence to show that significantly higher levels of housing delivery than the long-term average of 620 homes per annum can be sustained in the District. The evidence shows that as higher housing targets have been put in place, the local market has responded to increase housing delivery relatively quickly.

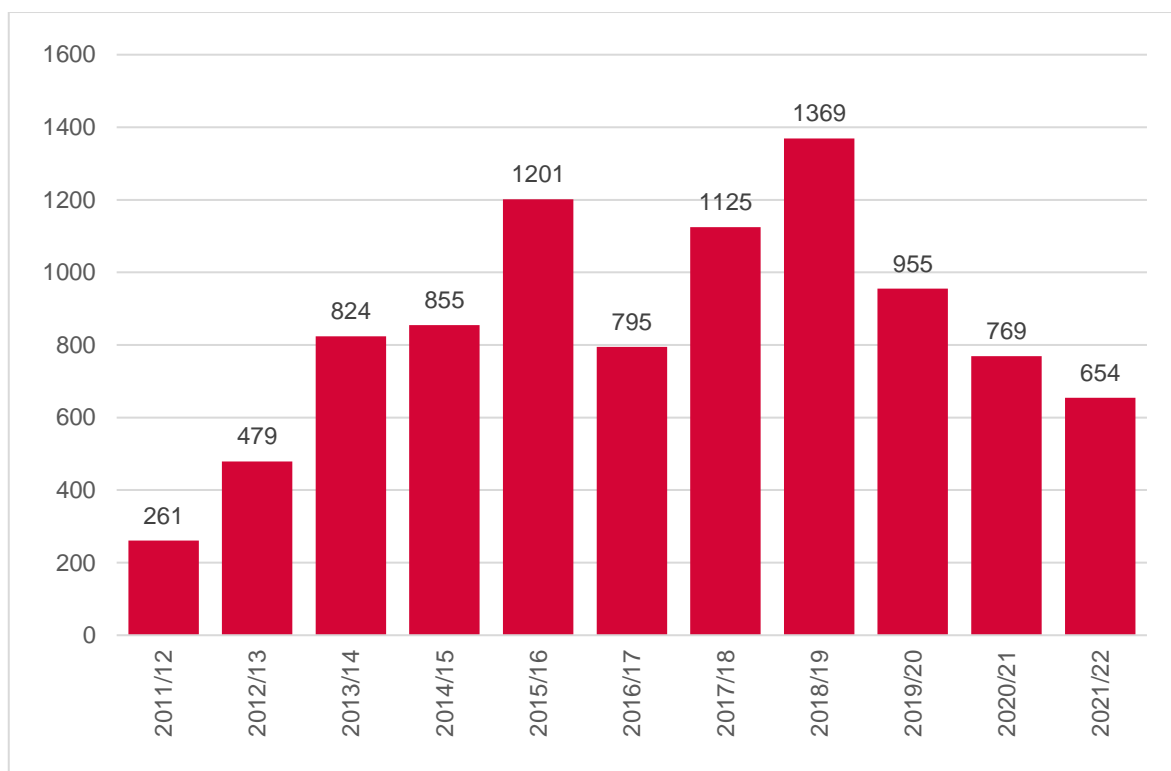
Figure 3.3: Housebuilding Trends in Horsham, 2001-2022



Source: Horsham Annual Monitoring Reports (2001-2021)

3.13 Net housing completions in the Plan area⁴ over the last seven years have averaged 981 homes per annum with the average annual delivery over the last 5 years being 974 homes per annum. There has been a clear reduction in the number of homes delivered in the plan area in more recent years linked to economic uncertainty associated with Liz Truss' Budget in 2021/22, inflationary pressures and associated interest rate increases; as well as the general blanket restriction on development caused by water neutrality issues.

Figure 3.4: Recent Housing Delivery in Horsham District Plan Area, 2011-22



Source: HDC Completions Data

3.14 Setting historic housing delivery in context, the Figure below provides an indexed comparison between delivery rates in Horsham District, West Sussex and England. The Figure uses three-year averages and is indexed against the average delivery rates across the pre-recession period (i.e. the period from 2001 to 2008).

⁴ This excludes areas of the District within the South Downs National Park

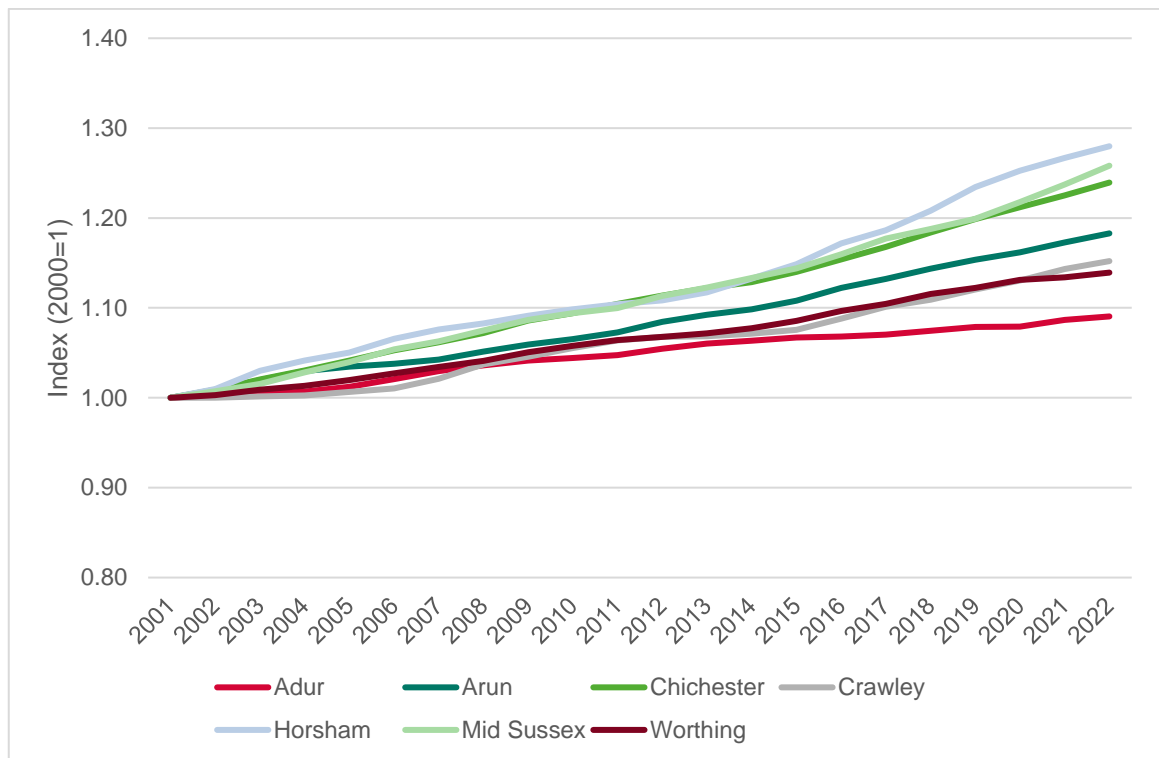
Figure 3.5: Indexed Comparative Housebuilding Trends (2001-2022); 3-year Avg



Source: MHCLG Live Table 122

- 3.15 It shows that Horsham began to experience a downward shift in housing completions from 2003/04 before falling to a particularly low rate during the economic downturn in relative terms, in comparison to the pre-recession average.
- 3.16 However, the analysis is also clear in showing that the District recovered particularly strongly in the years following the market upturn from 2010/11 onwards; with housing completions reaching a particularly high rate in comparison to the pre-recession average and wider benchmarks. The evidence points to Horsham seeing a slightly earlier and much stronger recovery in housing delivery from the last recession relative to wider national trends.
- 3.17 More recent delivery has tailed off across the three year averages owing to more recent implications associated with mortgage rate increases and a general market slowdown coupled with the blanket restriction on development associated with water neutrality issues.
- 3.18 Turning to housing stock growth, the Figure below uses an indexed analysis to consider how the total housing stock has changed over the period from 2000 to 2022 across the West Sussex county authorities. The housing stock has grown by 20% across West Sussex over this period, with performance of individual authorities varying from 11% growth in Adur (which is heavily physically constrained) to 28% growth in Horsham which has seen the strongest housing stock growth in West Sussex.

Figure 3.6: Indexed Comparative Net Changes in Housing Stock in West Sussex, 2000-2022



Source: MHCLG Live Table 125

3.19 The graph also shows is that there has been an upturn in housing delivery in a number of authorities in the period since 2013, including in Crawley, Chichester and Mid Sussex. This is likely to have been influenced by both improved market circumstances and additional supply being brought forward, including through the adoption of new local plans.

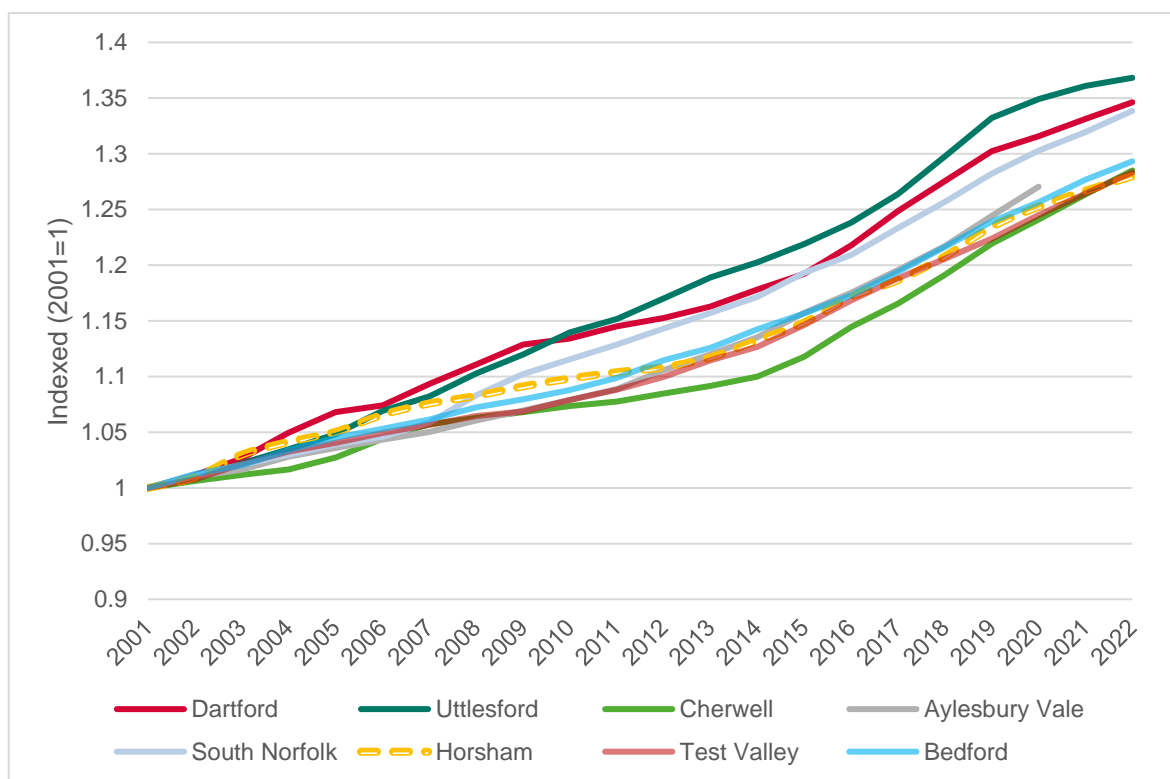
3.20 It is also useful to look at comparable areas which are similar in terms of market characteristics. We have used a similar analysis to provide a comparison of housing delivery performance between different areas. Figure 3.7 below summaries the housing stock growth of authorities with similar market characteristics within the East of England and South East of England. We have sought to identify comparator areas which demonstrate a number of common characteristics:

- Areas which are accessible to London (particularly by rail) but which do not have substantive areas within Metropolitan Green Belt;
- Authorities which include a main town or a number of main towns, together with a range of smaller settlements and rural areas;
- Areas which in a regional or national context are relatively higher value including comparator areas with similar value characteristics to Horsham.

3.21 The areas considered include relatively high value areas in the greater South East which sit beyond the Green Belt. It highlights how Horsham’s housing stock has kept up with the average rates as the local authorities listed below and indeed indicates that there are areas in which stronger housing delivery performance has been achieved.

3.22 Over the 2000-22 period the analysis shows that for instance Maidstone has seen 33% stock growth, Tonbridge and Malling has seen 27% growth with the strongest performing authorities being Uttlesford (37%), Dartford (35%) and South Norfolk (34%)⁵. This compares to the 28% growth in housing stock seen in Horsham over this period.

Figure 3.7: Indexed Net Changes in Housing Stock vs. Strong Performers, 2000-2022



Source: MHCLG Live Table 125

3.23 Drawing on the analysis above, the Table below sets out the annual growth rate for housing completions (the rate of growth in housing stock) over the past 21 years from 2001 to 2022; alongside the rate of growth following the economic downturn over the period from 2013 to 2022.

⁵ Prior to 2010 Dartford fell within a recognised Growth Area; and from 2005-10 Maidstone was designated as a Growth Point

3.24 The performance of Horsham is set against the performance of other authorities with similar market characteristics. The analysis appraises the Compound Annual Growth Rate (CAGR) in the housing stock, which shows what average rate of growth per year has been achieved.

Table 3.1 Average Annual Growth Rates, 2001-22 & 2013-22

Local Authority	CAGR 2001-22	CAGR 2013-22
Vale of White Horse	1.3%	2.0%
Cambridge	1.3%	1.7%
Dartford	1.4%	1.6%
Uttlesford	1.5%	1.6%
Cherwell	1.2%	1.8%
Aylesbury Vale	1.3%	1.8%
Test Valley	1.2%	1.6%
Bedford	1.2%	1.6%
Tonbridge & Malling	1.2%	1.1%
Maidstone	1.4%	1.6%
Horsham	1.2%	1.5%

Source: Iceni analysis

3.25 The analysis shows that over the period from 2001 to 2022, which covers the full economic cycle, the average annual growth rate in Horsham was 1.2% which is line with Bedford, Tonbridge and Malling and Test Valley; but falls short of authorities such as Maidstone and Dartford at 1.4% per annum and Uttlesford at 1.5% pa. This is a period which included a sustained and severe economic recession and market downturn (2009-12) and therefore the figures should not be regarded as an absolute cap on which might be achieved moving forwards.

3.26 Over the most recent period, post-recession (2013-22), the Vale of White Horse has seen particularly high growth stock rates (2.0% per annum). Horsham's comparative performance is of 1.6% pa growth. Horsham's recent growth has been influenced by the timing of the adoption of the Horsham District Planning Framework in 2015 but also accounts for weaker delivery in recent year. There are a range of areas which have sustained relatively high delivery rates of over 1.5% pa over this period.

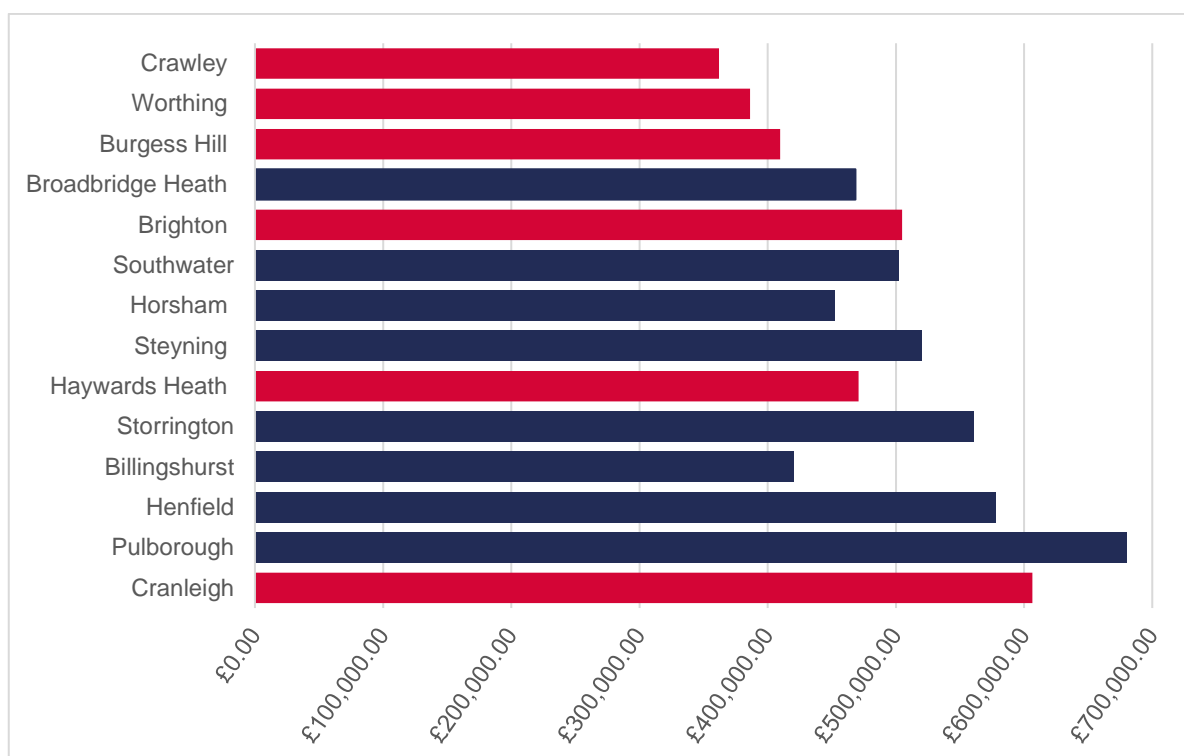
3.27 Over the last 5 year period (2017-22) Horsham has seen a lower housing delivery rate at 1.5% pa. The District has been planning for a higher level of housing delivery through the Horsham District Planning Framework; and some sites identified within this have been coming forward for development. However delivery rates have fallen in 2020/21 and 2021/22, when wider housing market conditions have been relatively strong. It is also notable that this period also pre-dates the point at which water neutrality began to have an impact on the granting of planning permissions and build-out of sites.

-
- 3.28 For comparative purposes, the Government's stated ambition to sustain delivery of 300,000 homes per year across England would equate to an annual growth rate in the housing stock nationally of 1.1% pa. Clearly areas in higher demand markets such as the South East could be expected to support higher housing delivery rates than the national average if this level housing provision is to be achieved across England. In the context of Government's ambition to significant boost housing supply, and of stronger historical delivery performance in some areas with similar market characteristics, the long-term delivery performance of 1.3% pa in Horsham cannot be seen as an absolute limit on what is realistic in the future.

Housing Market Dynamics

- 3.29 House price geography can be understood at a number of different tiers. At a regional level, it shows higher house prices in proximity to London. At a sub-regional level, we see higher housing costs in Surrey and parts of Hampshire than in West Sussex. There is a similarity in house prices between areas in Horsham and Mid Sussex districts.
- 3.30 At a more local level, we find an urban/ rural distinction in house prices influenced by differences in the housing stock and profile of sales (with higher sales of larger, more expensive homes in rural areas) as well as an influence of 'quality of place' on house prices.
- 3.31 Looking at prices in Horsham's main settlements and those in surrounding areas, settlements such as Pulborough, Henfield, Steyning, Southwater and Storrington have the highest prices (>£500,000). Prices in Horsham Town average around £452,000. Lower prices are evident in Crawley (£362,000) and Worthing (£386,234), which are in surrounding areas. This is shown in Figure 3.8 below (it should be noted that the analysis is settlement-based and not district/borough-based, such that 'Horsham' refers specifically to Horsham town).

Figure 3.8: Average House Prices for Similar Properties, September 2023⁶



Source: Icenii analysis of Zoopla Z-index data; NB all blue bars are settlements within Horsham District

3.32 The table below provides comparisons of mean, median and lower quartile prices at a District level. Sales values are generally similar to those in Mid Sussex, and above those in Crawley and in Sussex Coast authorities. They are above the South East average.

Table 3.2 Average and Lower Quartile House Prices in the Housing Market Area

Area	Median	Mean	Lower Quartile
Horsham	£440,000	£505,648	£330,000
Mid Sussex	£434,500	£499,469	£315,000
Crawley	£340,000	£355,218	£265,000
West Sussex	£386,000	£454,598	£285,000
South East	£385,000	£471,444	£278,000
England	£290,000	£376,359	£187,500

Source: ONS, House price statistics for small areas in England and Wales, year ending March 2023

⁶ The Zoopla data is looking at like-for-like values for similar properties. It uses Hometrack data and considers sold prices, changes in market value for similar properties, number of bedrooms, and local area characteristics.

-
- 3.33 The median house price in Horsham is £440,000, some 14% above the South East average of £385,000. Horsham District has the highest median house prices in all districts in West Sussex with Mid Sussex in second; whilst Crawley has a median house price some 23% lower.

Sales Performance Evidence

- 3.34 Icenii have undertaken market research speaking to the estate agents of operating within the District and surrounding areas. Key locations include Ifield, Horsham, Southwater and Billingshurst. The narrative reflects market conditions at the time of the assessment in September 2023.
- 3.35 Agents working within Crawley / Ifield reported a strong buyer demand in the area in line with the market in recent years with offers for properties often exceeding the asking price. Demand for 2 and 3 bed properties is particularly strong. One agent reported a dearth in the supply of 4-5 bedroom properties within the £750,000-£800,000 price range and believed these could sell just as quickly as 3 bedroom properties.
- 3.36 Agents report a noticeable increase in buyers looking to move into Ifield (a village on the boundary of Horsham District and Crawley which forms an edge-of-Crawley suburb). Young families and first-time buyers were the most common buyers in the area. This did not vary between areas of Ifield with the eastern side closer to the train station being popular with both groups.
- 3.37 Agents within Crawley witnessed a stable supply of buyers looking to move into the area from London throughout the pandemic linked to the confidence of those living within the area around increased activity and stability at Gatwick Airport, a key employer in the sub-region. However, buyers from the London area have significantly decreased since the end of the pandemic balancing out with those moving locally – slowed in part by increasing mortgage rates.
- 3.38 Agents have generally seen house prices begin to stabilise following year-on-year house price increases since the pandemic. Some agents have even seen house prices marginally decrease in areas further away from train stations.
- 3.39 Covid was generally considered to have had a positive impact on the housing market in the area with the Stamp Duty Holiday having aided sales when in play. Agents noted the attractiveness of gardens and outdoor space as well as spare rooms which continue to be used as offices in line with the sustained trend of home/hybrid working. There has however been an accepted slowdown in the market over the last 12 months relating to mortgage rate increases.
- 3.40 Sales agents located in Horsham Town report a similarly active and strong market. Like Ifield, both 2 and 3 bedroom properties are in high demand as well as detached properties of any size with one agent describing a property being detached as ‘non-negotiable’. All agents consulted, agreed that flats were the least popular amongst potential buyers however there is still demand.

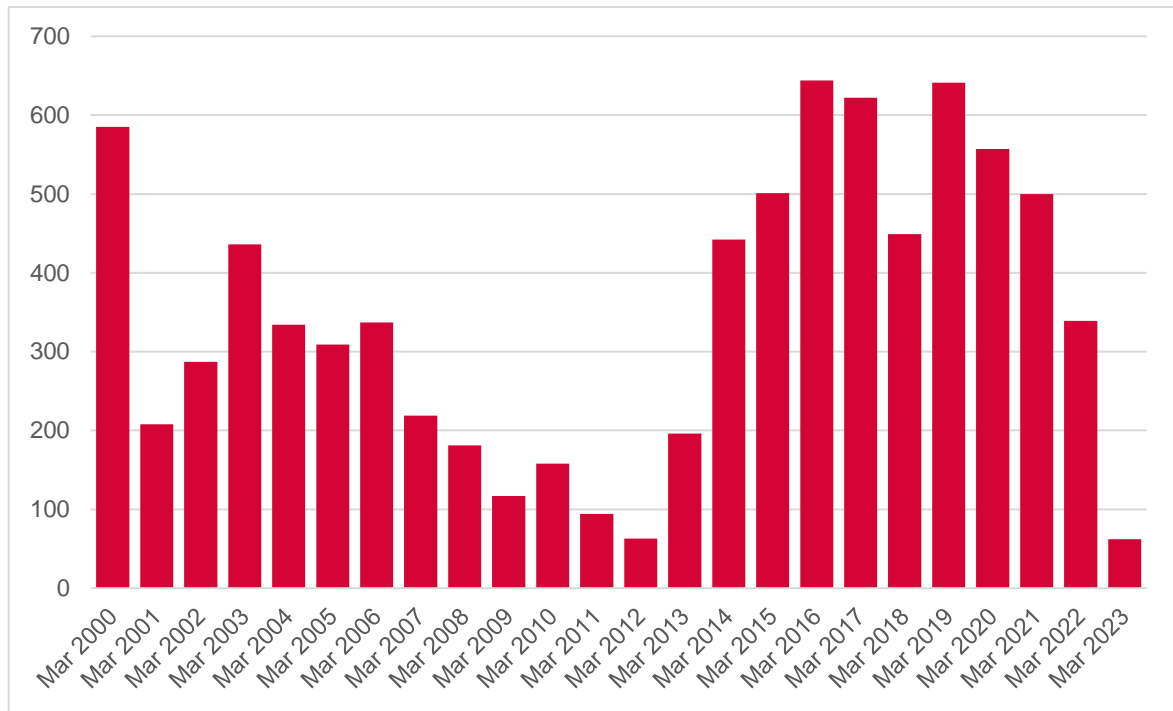
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- 3.41 The profile of buyers is a mix of first-time buyers, couples and families predominantly from Surrey and London. One agent noted that they had seen a decrease in the number of first-time buyers following the end of Help to Buy. All agents consulted agreed that the area is attractive to commuters. It should be remembered that this was an important driver of the market pre-pandemic.
- 3.42 All agents in Horsham Town felt that prices had been continuing to rise since the pandemic. Some agents expressed the gap between new build and existing housing stock, with the new build housing stock generally performing weaker than existing housing stock in recent months.
- 3.43 Sales agents in Billingshurst and Southwater reported comparably less active markets when compared with Horsham Town. In Billingshurst, the most popular properties for sale are by and large 3-bedroom properties. Similar to Horsham Town, detached properties remain the most in demand and flats generally remain the least popular dwelling type. Based on the discussions with agents, house prices in Billingshurst have fallen whilst house prices in Southwater have generally increased.
- 3.44 The profile of buyers seems to be a mix of first time buyers and existing property owners. One agent described they had seen a fall in the volume of first-time buyers. In contrast to the views of some agents in Horsham and Crawley, local agents in Southwater and Billingshurst reported the proportion of buyers currently coming from outside of the Horsham District to have remained much the same as levels seen during the pandemic.
- 3.45 Drawing together the evidence, it is clear that the market has remained relatively strong over the last year influenced in particular by homeowners who continue to re-evaluate their living circumstances and location, with households moving for a range of reasons including for more internal space, including space to work, for access to outdoor space, or because their locational requirements have changed as they need to commute less to work. Areas such as Billingshurst; however, have shown evidence of weakening market conditions with a fall in house prices.

New-Build Sales Performance

- 3.46 Icenl has undertaken updated research into new-build sales performance in the District and surrounding areas looking at (1) sales rate data over the period 2000-2023 and (2) on-the-ground sales rates and values as they are in September 2023 on selected schemes.
- 3.47 First, considering new-build sales data, the Figure below shows the number of new-build sales in Horsham over the period 2000-2023. The chart shows that new-build sales were particularly strong coming out of the economic downturn and around 2015 when the previous Local Plan was adopted and new development came on steam.
- 3.48 Since 2020, the number of new build sales have decreased year-on-year. This will in part have been driven by the end of Help to Buy Equity Loan scheme leading to a lesser number of first-time buyers;

the end of the Stamp Duty Holiday and the issues noted elsewhere including mortgage rate increases; and the halt on development associated with water neutrality in the area which has ultimately lowered new-build supply. The recent drop off in sales since late 2022 has been substantial.

Figure 3.9: New Build Sales Performance, 2000-2023



Source: HM Land Registry

3.49 At a localised level on-site, IcenI has researched current values by size on selected schemes in areas across the District as well as key schemes beyond the District boundary. This includes Kilnwood Vale in Horsham District on the edge of Crawley, Highwood Village in Horsham town, Mowbray Village to the immediate north of Horsham town (part of the Mowbray strategic development) and Riverbrook Place in Crawley.

Table 3.3 Sales Values Evidence, Autumn 2023 (Houses)

Scheme	2 beds	3 beds	4 beds	Average
Harpers View, Kilnwood Vale (Crest)	£375,000	£440,000	-	£407,500
Highwood Village (Berkeley Homes)	£347,500	£608,333	£765,000	£573,611
Mowbray Village (Cala Homes)	£420,000	£460,000	£650,000	£510,000
Riverbrook Place (Bellway)	-	£487,500	£631,666	£559,583

Source: IcenI Research, 2023

3.50 Sales agents at Crest’s Harper’s View component of the Kilnwood Vale development describe a similar mix of buyers to that researched previously with around two thirds of buyers moving from the local area and a third moving from inner and outer London due to the comparatively lower house prices. Buyers are a mix between first-time buyers, occupiers and investors. At the time of IcenI’s

research, 9 properties were still available for sale comprised of 4 x 3-bedroom houses and 5 x 2-bedroom houses. Crest Nicolson's sales agents report that properties are continuing to sell quickly, with an average of a 1 property per week.

- 3.51 Berkeley Homes' Highwood Village Scheme in Horsham provides apartments and houses with 2-5 bedrooms. It has attracted a range of households including singles, couples, families, and elderly downsizers. Many buyers come from the local area and areas to the south; with residents working locally or commuting to Crawley/ Gatwick. Apartments have been popular with investors with 3 and 4 bed properties the more popular house types. There were 7 properties available for purchase at the time of research, ranging from homes with 2 bedrooms at £320,000 to 4 bedrooms at £805,000. Sales agents reported the average sale volume of one property per week.
- 3.52 Cala Homes' Hawksbourne Development in North Horsham provides a selection of 2-, 3- and 4-bedroom homes and 1- and 2-bedroom apartments. The development is seeing a mix of buyers from first-time buyers to young families and investors. Buyers are from both the local area and broader South East region, including inner and outer London. There were 194 homes in total on the development site, of which 100 homes are still available to buy. The fastest selling houses are three-bedroom homes with sales agents reporting on average 2 homes from the development selling per week.
- 3.53 Bellway's development at Riverbrook Place in Crawley provides a selection of 2-, 3- and 4-bedroom houses alongside 1- and 2-bedroom apartments. The development is situated to the North East of the town and a short drive from Gatwick Airport. The properties currently on sale range in prices from 1-bedroom apartments at £245,000 up to £680,000 for 4-bedroom properties.
- 3.54 Sales agents at Bellway describe a mix of buyers from within the local area and the broader South East region. Properties continue to sell quickly as new homes become available on the market. The fastest selling homes are 3-bedroom properties. On average 1 home per week is sold

Rental Market Dynamics

- 3.55 Icenii have spoken to local agents with knowledge of local rental market dynamics within Horsham District and immediate surrounding areas in September 2023. This included a selection of agents across the District, including Ifield and Horsham.
- 3.56 The lettings market in Ifield was also considered to be particularly active with to let properties of all sizes being in demand. One agent stated that there continues to be higher demand for rental properties than the amount of rental housing stock available. Again, the profile of renters is mixed however the rental market sees a high proportion of corporate tenants linked to Gatwick Airport. These tenants tend to look specifically at north Ifield and Crawley where access to the airport is easy.

- 3.57 The properties easiest to let were 2 and 3 bedrooms in line with the highest sales demand, apartments were also increasing in demand, particularly those close to amenities and transport links. On the whole, rents are increasing partly due to lack of stock and also as a result of changes in rental legislation making renting less tax efficient for landlords.
- 3.58 In Horsham, lettings agents reported the market to be very strong with many properties being let before they are officially advertised. Prospective tenants were a mix but generally younger couples, young working professionals and small families with Horsham town centre being the most popular area due to the location of the train station. One agent stated that despite renters predominantly being younger, the continuation of hybrid working had seen some older demographics moving to the area. Horsham also saw many corporate tenants linked to technology companies that have moved to the area.
- 3.59 Lettings agents in Billingshurst reported a strong market although not as strong as Horsham town. Prospective tenants were mixed with some singles and young couples described as 'would be first time buyers' and some families who rent out their own properties to other tenants. Much like the larger towns, rents were considered to be increasing primarily as a result of increased taxation on landlords.
- 3.60 Local agents provided average (median) rental values for the main settlements of Crawley, and within Horsham District: Horsham Town, Billingshurst and Southwater, which are set out in Table 3.4. The values point to a strong market for family-sized properties in Horsham Town.

Table 3.4 Indicative Average Monthly Rental Costs in Main Settlements (PCM)

	2 bed	3 bed	4 + bed	Average
Crawley	£1,400	£1,700	£2,259	£1,785
Horsham Town	£1,350	£1,750	£2,160	£1,750
Billingshurst	£1,300	£1,750	£2,500	£1,850
Southwater	£1,400	£1,800	£2,200	£1,800

Source: Icen Research, September 2023

4. DELIVERY OF STRATEGIC SITE OPTIONS

- 4.1 In this section, IcenI has moved on to consider issues relating to the delivery of the strategic site options set out within the Local Plan Regulation 18 Consultation Document in March 2020. This report brings our site-by-site assessment in the 2020 Housing Delivery Study and work undertaken in 2022 in anticipation of an earlier Regulation 19 Local Plan up-to-date. As part of this, we have taken into account the latest information from site promoters and other elements of the Plan's evidence base (as discussed in Section 2); and considered the potential lead-in time to delivery of completions on site; and the potential build-out rate of individual sites. The analysis is then used to inform our review of the Council's latest housing trajectory and our own sub-area based housing trajectory models which are set out in Section 5.
- 4.2 In order to understand the likely pace and phasing of the potential strategic site options, IcenI has drawn on a combination of:
- The latest site-specific information submitted to Horsham District Council officers as part of a 'Developers Day' with Members in June 2023;
 - Direct engagement with site promoters undertaken by IcenI via virtual meetings throughout September 2023;
 - The Council's evidence base documents including the latest Infrastructure Delivery Plan and the Viability Study; and
 - Where necessary, historic information submitted to inform the previous Regulation 18 Consultation and members briefings.
- 4.3 As part of the original 2020 Housing Delivery Study, a proforma was sent to each of the promoters of the strategic sites to collect relevant information. The proformas sought to collect information regarding landownership and promotion agreements; progress with site investigations and masterplanning; timeframes for the submission of planning applications and anticipated timeframes for delivery of the sites. They also sought information regarding the delivery model as well as major infrastructure requirements and this might influence the delivery of the site.
- 4.4 IcenI critically reviewed the information provided, discussed delivery issues and challenges with potential site options with Horsham District Council officers, and factored in both published research on housing delivery rates and our own experience and research in this area. The 2020 Study recognised that further evidence could be provided by developers and site promoters as the plan-making process progressed which could alter the conclusions and directed that the issues should be kept under review.

4.5 This update report builds on the original analysis set out in the 2020 report as well as work undertaken in 2022 in anticipation of an earlier Regulation 19 Local Plan. It is informed by the further engagement undertaken with site promoters in Summer 2023. IcenI has sought to reflect the very latest position on all sites at the time of writing in September 2023.

Reviewing Existing Strategic Sites

4.6 An important component of assessing strategic sites is understanding the number of homes that can be built out on site over a number of years of delivery in the District using historic evidence ('build out rates'). In addition, it is also important to understand how quickly planning applications can progress from submission to determination; and how long it then takes for housebuilders to reach first completions (the 'lead in time').

4.7 It is noted that there is a range of national research⁷ which has considered lead-in times and build out rates of strategic sites; however, this is backward looking and does not have regard to *local* market dynamics or the specific nature of development proposed at different sites and the associated delivery strategy. To inform our assessment of strategic sites, IcenI has sought to review the Council's annual monitoring data and planning records relating to existing strategic sites to establish a *local* baseline which assumptions on delivery can be related to and which can be drawn together with consideration of the specific development proposals at different potential strategic sites/locations.

4.8 IcenI has drawn on a number of extant strategic site allocations which are all noted below:

- West of Horsham, including:
 - Land South of Broadbridge Heath (i.e. West of Horsham (West)) – this development is completed and now known as Wickhurst Green
 - Land East of the A24 (i.e. West of Horsham (East) or "Highwood")
- North of Horsham ("Mowbray")
- Land at Kilnwood Vale ("West of Crawley" or "West of Bewbush")
- Land West of Southwater ("Broadacres")

4.9 IcenI has reviewed (1) the lead-in times through from the submission of an outline planning application to determination to first completions; and (2) the build out of these strategic sites over the period from 2012/13 to 2022/23. Dealing with the former first, IcenI has tabulated three key stages

⁷ For instance Lichfields' Start to Finish research

of the planning and development process for each of the sites set out including the submission of an application, granting of outline/full planning permission and first completions on the first phase of delivery. This is set out in Table 4.1 below.

Table 4.1 Timeframes from Submission of Application to First Completions (Months)

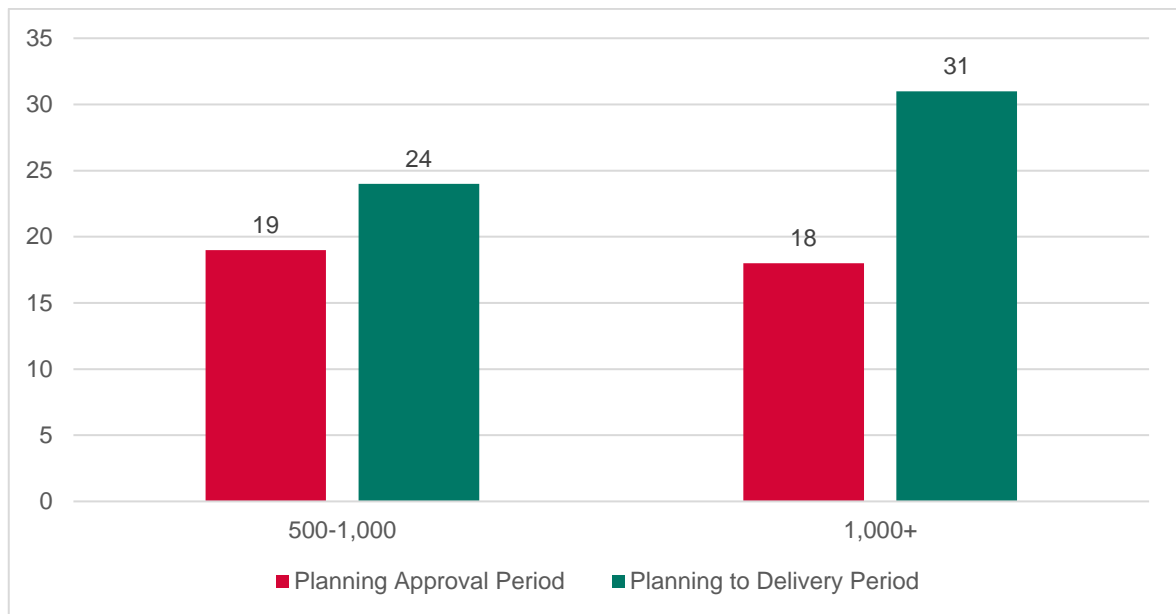
Site	Site Size	Planning Approval Period	Planning Approval to Delivery Period ⁸
North of Horsham	2,750 homes	21	38
Kilnwood Vale	2,500 homes	15	24
West of Horsham (East)	1,090 homes	10	24
West of Horsham (West)	942 homes	23	24
West of Southwater	600 homes	15	24

Source: Horsham Monitoring Records

- 4.10 Drawing on this sample of strategic sites, we can establish a baseline position that can in turn be used to sense-check the shortlisted strategic sites. Figure 4.1 below shows that sites between the threshold of 500 to 1,000 homes have taken an average of 19 months to work through the planning determination period and around 2 years (i.e. 24 months) thereafter to achieve first completions.
- 4.11 The District's larger sites have taken less time to work through the application process on average. The average time taken to reach first completions is skewed by North Horsham at 3 years with both Kilnwood Vale and West of Horsham at taking around 2 years to achieve first completions. Across all sizes, the time elapsed through securing reserved matters consent, discharging pre-commencement conditions and delivering homes is broadly consistent.

⁸ Approximate – due to the nature of how completions are monitored (i.e. on-site once a year), it is not possible with the current monitoring records to identify the specific month where first completions were achieved. It is therefore linked to financial years.

Figure 4.1: Delivery Timescales, Strategic Sites by Size (Avg.)



- 4.12 Whilst there is some variance across sites, a reasonable benchmark across all the sites considered would be around 18 months for planning approval and then a further 24 months or so to first completions; meaning from submission of an outline planning application, first completions would be achieved within around 3.5 years.
- 4.13 These timescales do however relate to a period prior to the emergence of issues raised by Natural England relating to water neutrality which continues to constrain the approval of planning applications, first completions and general housing development in Horsham District as well as other authorities in the surrounding area. Notwithstanding, we can use these unconstrained historic timescales to inform consideration reasonable lead-in times to first completions on the assumption that SNOWS is brought in as scheduled.
- 4.14 The planning approval period will however be sensitive to the inter-relationship with the progress with the Local Plan. It seems unlikely that the Council will grant consent for major strategic developments in the Local Plan in advance of the Plan's adoption. We have taken into account the potential timetable for the Plan's submission and examination; and consider on this basis that new strategic sites are unlikely to be consented before 2026.
- 4.15 In respect of housing completions, Table 4.2 below sets out the number of homes delivered so far over the period 2012-2023 on four of the strategic sites which have already reached first completions stage – West of Horsham (East), West of Horsham (West), Kilnwood Vale and Land West of Southwater. In addition to these allocated sites which are all located in the north of the District, we have also sought to consider an additional strategic site which has come through the planning application route – Land East of Billingshurst (marketed as Amblehurst Green) – in order to better understand the position across the District.

- 4.16 It should be noted that since September 2021, water neutrality issues have led to a general constraint on housing development for schemes without planning permission in place; however, the schemes in Table 4.2 below all had planning permission and have not been held up in delivering over this period.

Table 4.2 Housing Completions on Strategic Sites, 2012-2023

Site:	W of Horsham (East)	W of Horsham (West)	Kilnwood Vale	W of Southwater	E of Billingshurst
Site Size:	1,090 homes	942 homes	2,500 homes	600 homes	550
Max Outlets:	1	4	3	1	2
2012/13	61				
2013/14	36	108	75		
2014/15	103	209	76		
2015/16	76	336	131		
2016/17	96	217	51		
2017/18	39	24	353	56	
2018/19	74	24	196	128	89
2019/20	43	0	74	43	74
2020/21	1	24	199	20	211
2021/22	172		95	54	61
2022/23	35		162	16	0
Average	67	118	140	53	87

Source: Horsham Monitoring Records

- 4.17 If West of Horsham is treated as a strategic development location, the evidence above shows that peak average delivery on this site was therefore 345 homes per annum over the 2014-17 period (i.e. a three-year average).
- 4.18 As is clear from our analysis, the average number of homes achieved on average year-on-year and site-by-site varies. Looking at average build out rates, sites with one outlet have achieved around 60 homes per annum over recent years; with this rate averaging out at around 40 homes per annum per outlet on sites with more than one developer– although it is noted that there are outliers with substantial rates of delivery in particular years at West of Horsham (West) and East of Billingshurst.

Assessment of Strategic Site Options

- 4.19 Our analysis now works through each of the sites in turn below. The site assessments are structured so that those included as allocations in the Regulation 19 Pre-Submission Local Plan (due for publication January 2024) are considered first with alternative strategic sites considered second. Greater detail is provided regarding proposed allocations in order to inform consideration of the Plan's draft Housing Trajectory in Section 5.

West of Ifield

- 4.20 The strategic site at the West of Ifield is located on the western boundary of Crawley Borough. It is being promoted by Homes England for 3,000 homes within the plan period to 2040 on 194 ha of land. Extending beyond the plan period, Homes England consider that there is potential for up to 10,000 homes to be delivered across a wider area as a new 'garden community.' The scheme would essentially function as a series of new neighbourhoods to Crawley which Homes England describe as a 'West of Crawley Opportunity Area.' However, this is not actively being promoted at the time of writing by Homes England and Icenl understands it is not currently part of the organisation's plan.
- 4.21 At the time of writing, we understand that 97% of the total site area relating to the West of Ifield is owned by Homes England. The remaining third party land is subject to advanced negotiations and Homes England expect to have full control of the site by the time the Local Plan is adopted. Homes England has stated that in the event that land acquisition cannot be agreed, the Agency has statutory Compulsory Purchase Powers that can be deployed as a last resort so that the remaining land can be brought within their control.
- 4.22 As set out in the Council's IDP, key strategic infrastructure requirements for development relate to highways, wastewater treatment capacity and flood alleviation issues. In respect of highways infrastructure, the Council's Transport Study factored in a 'middle section' of the Western Crawley Multi-Modal Corridor to be brought forward to support delivery of the 3,000 homes (essentially this would be the primary access, and reduce impacts on the existing road network). The IDP is based on the assumption that it will come forward during Phase 2; however, we understand from Homes England that the link road will now be delivered during Phase 1 upfront in parallel with the delivery of the secondary school (i.e. no homes will now be delivered during Phase 1).
- 4.23 There is an ambition to deliver a wider Western Crawley Multi-Modal Corridor between the A23 and A264 and this 'middle section' would effectively represent the first phase of it – the road has been designed in such a way that it can be extended in future.
- 4.24 Three points of access will therefore be completed upfront in Phase 1 – (1) the Link Road, (2) Golf Club Road and (3) Meadows Green Link. The new road/corridor will be the primary access to the site for vehicular traffic, Golf Club Road will be a bus gate and Meadows Green will be pedestrian and cycle only into Ifield and Crawley to the east.
- 4.25 The Council's Transport Study notes that the modelling to date has been undertaken assuming only a partial West Crawley Multi-Modal Corridor is delivered, which does not provide the full multi-modal link (an alternative route to the A264/M23). The eventual completion of the full multi-modal corridor or further, more ambitious sustainable transport measures, are likely to be required to mitigate the impact of the development of a potential 10,000 homes on a number of key junctions in the area.

However as noted upfront, the development of the wider site is not currently in Homes England's plans.

- 4.26 The Council's Viability Study sets out that funding the multi-modal corridor is a potential cash flow issue; however, the promoter – Homes England – is a government agency and has the capacity and capability to fund and directly deliver the necessary infrastructure through unique delivery models with service providers. It outlines that evidence can be provided on other strategic sites where onerous cashflow requirements are being managed by Homes England.
- 4.27 Homes England has a Land Assembly Fund which enables it to invest in early infrastructure to overcome barriers and reduce risk. Essentially the delivery of upfront infrastructure to release and enable development is part of Homes England's role.
- 4.28 The Viability Study notes that there is no minimum land payment associated with the site and are satisfied that the residual value reflects an appropriate uplift upon agricultural land values. Homes England has confirmed to Iceni that there are no concerns around viability and the delivery of the road.
- 4.29 As the Council's IDP sets out, Thames Water has highlighted that reinforcements of the water supply network will be required to support the proposed development. The Council's IDP also notes that local upgrades and strategic network and sewage treatment works upgrades could be necessary. However, it is our understanding, through discussions with Homes England, that there is sufficient capacity in the Crawley Treatment Works for the 3,000 homes proposed. This will ultimately need to be corroborated and appropriately evidenced.
- 4.30 The other major infrastructure identified in the IDP is the need for a secondary school (minimum 8FE). The secondary school is required primarily to meet needs in Crawley, so needs to come forward early in the development. This would be delivered as part of Phase 1. A primary school and associated community infrastructure would also need to be brought forward over the course of the development.
- 4.31 There are also strategic constraints around aircraft noise. Homes England have confirmed that the site is restricted on how housing provision can be accommodated as a result of the necessary safeguards required in relation to potential future noise impacts from Gatwick Airport. The necessary noise 'contour' of 60dB $L_{Aeq, 16hr}$ restricts the potential for development on the northern part of the site. Homes England are addressing these issues through the emerging masterplanning process; however, it is not envisaged to impact on the scale/ pace of development which could be achieved over the plan period. There is clear potential for the site to accommodate 3,000 homes without breaching the 60dB $L_{Aeq, 16hr}$ noise contours.

- 4.32 In respect of water neutrality, Homes England has set out that the objective would be to reduce water use as far as possible through water efficient design of the development. Homes England’s assessment is that there is baseline water capacity via the existing golf course on site which would provide for Phase 1 and some of Phase 2. By this point, it is envisaged that SNOWS would be in place with sufficient credits to bring forward the remainder of the development. However, the calculations behind this strategy, and its practical deliverability, is yet to be tested and has been questioned by the Council.
- 4.33 In respect of delivery, an illustrative masterplan for the 3,000 homes has been developed. The latest position with regards to a planning application is that an outline application will be submitted at the same time the Regulation 19 Local Plan is submitted. On that basis, an application would be submitted in June 2024 as per the published Local Development Scheme. Homes England will submit a hybrid planning application: with Phase 1 infrastructure submitted under the detailed element and the remainder of the development in outline.
- 4.34 Homes England have informed Iceni that they expect to start enabling works on site by 2025/26 which will include the delivery of the major infrastructure work and the secondary school. First completions could therefore be expected during 2027. Homes England has provided a strategic phasing plan which is reflected in the Table below setting out the number of homes to be delivered alongside the timings associated with the delivery of infrastructure.

Table 4.3 West of Ifield – Delivery Rates & Infrastructure advised by Homes England

Phase	Years	Homes	Infrastructure
1	2025-2027	0	‘Middle section’ of WCLR delivered Golf Club Road delivered Meadows Green Link delivered Secondary School delivered
2	2027-2032	845	Primary School delivered
3	2032-2035	650	
4	2035-2038	680	
5	2038-2040	535	
6	2040-2042	290	
Total		3,000	

Source: Homes England Phasing Strategy

- 4.35 Homes England has provided examples from other strategic sites to demonstrate how quickly they are able to commence on site in comparison to other developers. This includes sites at Burgess Hill, Mid Sussex and Rushcliffe, Nottinghamshire which are of a comparable size to West of Ifield. The timescales referenced by Homes England relate to acquisition to a start on site, and are as follows:

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- Burgess Hill, Mid Sussex – 3,500 homes: 24 months
 - Rushcliffe, Nottinghamshire – 3,000 homes: 21 months

4.36 In recent years, Homes England noted to Iceni that delivery at Burgess Hill been slower than anticipated; however, this has largely been associated with infrastructure delivery – an issue which could affect Ifield. There are however now four outlets operating with two developers on board and a third developer in discussion and therefore delivery rates should begin to pick up pace.

4.37 A Planning Performance Agreement is in place between Homes England, Horsham District Council, Crawley Borough Council and West Sussex County Council; however, it is noted that there will need to be a level of time for consideration of a planning application and are clearly significant infrastructure requirements which will have to be delivered in the first phase of development.

4.38 With a planning application submission envisaged for mid-2024, Iceni consider that determination of a planning application in 2026/27 is more realistic, following adoption of the Local Plan. Based on Homes England's track record in other areas, first completions in 2029/30 following the provision of upfront infrastructure is considered reasonable – particularly as the infrastructure is being secured under the detailed element of the application.

4.39 The Housing Trajectory provided by Homes England shows annual completions rising from 60 homes in the first year to 100 homes increasing to peak delivery of over 300 homes per annum in 2031/32 to 2034/35. Homes England's justification for these notably high delivery rates is that it is able to draw on expertise within its Land, Investment, Legal and Places Directorates to devise and test innovative delivery models and financing options that will support the accelerated delivery of large settlements.

4.40 Homes England adopts a range of mechanisms to accelerate delivery including:

(1) diversification, providing support for smaller builders and new entrants to create a more diverse, resilient and competitive market;

(2) the use of modern methods of construction which Homes England is rolling out on other sites across the country;

(3) simplifying procurement - Homes England's Delivery Partner Panel 3 framework offers public sector organisations a streamlined procurement route to appoint a developer; and

(4) increasing the pace of delivery – Homes England are able to use its Building Lease arrangements to ensure that development partners deliver at pace. The current contract data from Homes England sites shows that sites are contracted to deliver 115% to 150% of the market rate.

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- 4.41 Homes England have stated that there would be a minimum of around 5-6 outlets on site; however, it would look to maximise the number of outlets as part of their market diversification objectives. The phasing of the site is being brought forward to allow this, by providing opportunities for different house types to be brought forward in different parts of the site at the same time. The phasing of the delivery of this site (as recalibrated by Iceni) would also see it come forward as delivery at Kilnwood Vale is wound down.
- 4.42 The latest illustrative masterplan shows that there will be a range of mixed tenure homes including market homes, social rented homes, shared ownership homes and First Homes; as well as older persons accommodation, self and custom build plots and high density Build to Rent housing. The expectation is that the 5-6 outlets would be operating concurrently across the site delivering these varied products and tenures. This significant product diversity, with the potential involvement of a range of housebuilders, will help to support the built rate.
- 4.43 Taking all of this together, and recognising that over 300 homes per annum have been delivered on sites including Kilnwood Vale and West of Horsham in the last 10 years, we agree with the proposed build out of rate of Homes England, but have recalibrated the lead-in time to later in the plan period and have assumed that the build out rate gradually increases from 60 to 100 homes up to 300 homes over time. The total build out would be 2,560 homes, with the Iceni adjustments, over the plan period to 2040.

Land West of Southwater

- 4.44 The strategic site located to the west of the village of Southwater comprises 140 ha of land and is being promoted by Berkeley Strategic for 1,000 homes with the plan period. The land is currently owned by The Fletcher Trust & Christ's Hospital School; and a Promotion Agreement is in place with both landowners. An outline planning application was submitted for the site in October 2022 for up to 1,500 homes; however, this was withdrawn in February 2023. As a result, a lot of technical work has been progressed for the site, despite the proposed growth being since revised downwards to provide additional land for a school, open space and landscaping, and to respond to the Council's concerns regarding the scale of development.
- 4.45 In respect of infrastructure requirements, the Council's IDP recognises issues at the A24 Hop Oast roundabout at Southwater which, according to the County Council, would require signals or a 'cut through' roundabout. The Horsham Transport Study states that signalling the roundabout would mitigate any impacts and the proposed development therefore includes the full signalisation of the junction – the delivery of which will be led by Berkeley. The IDP calculates an indicative cost of around £3.1m and notes the funding sources at S106 contributions, County Council and Government funding.

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- 4.46 IcenI understands through our discussions with Berkeley Strategic that proposals were put forward in the withdrawn outline planning application for a signalised Hop Oast roundabout to create capacity and improve safety – no objections were raised by the County Council. Berkeley Strategic also set out that the upgrades are not likely to be required at commencement, as there is capacity for around 200 homes before the junction works are undertaken.
- 4.47 The Council’s IDP sets out that that the site is likely to require gas network reinforcements to increase in the capacity in the system. SGN has indicated these works would be completed within 2 years. It is expected that up to 400 dwellings (i.e. initial phases of development) would be able to connect before reinforcement is required; and the IDP notes that it is possible that reinforcement could be avoided, potentially reducing costs significantly. However, Berkeley Strategic have informed IcenI that no gas boilers will be used in the revised scheme – heat pumps will be used instead, so there should be no significant impact.
- 4.48 The IDP states that Southern Water has set out that wastewater capacity upgrades are required for the site and these upgrades will come forward through the service provider’s Asset Management Plan 7 which covers the period 2020-2025 (and is therefore planned growth) and will be funded through Southern Water’s Business Plan. At the time of writing, Berkeley Strategic have had confirmation from Southern Water that there is capacity in the wastewater network for the development. In future, there’s also a need for wastewater network and clean water network reinforcements which will be funded by the developer via the New Infrastructure Charge levied by Southern Water at £790 per property.
- 4.49 Overall, there are no evident showstopping constraints based on the available information. The Council’s Viability Study has found that the development is viable, taking into consideration this necessary on- and off-site infrastructure and the provision of 35% affordable housing as well as education and community uses.
- 4.50 In terms of delivery, the latest position at the time of writing is that an outline planning application is expected to be submitted when the Local Plan is at an advanced stage. The promoter has set out the following timescales to IcenI regarding the planning application and delivery:
- Outline planning application submitted: Q3 2025
 - Outline planning application determined: Q3 2026
 - RMA determined: Q3 2027
 - Start on site: Q1 2028
 - First Completions: Q1 2029

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- 4.51 The intention is that the adjacent Broadacres development will be built out in 2028 and in the years leading up to this, Berkeley will transition onto the delivery of homes on the West of Southwater site with anticipated first completions in 2029. Berkeley indicate that 100 homes per annum could be achieved over a number of years with all homes built out by 2040/41 (i.e. one year beyond the end of the plan period).
- 4.52 Berkeley Strategic are currently delivering homes at the Broadacres development which lies adjacent to the West of Southwater site and sales at this site have averaged out at around 1 per week in recent months. The Broadacres site has achieved average delivery rates of 53 homes per annum since it commenced.
- 4.53 Berkeley Strategic are also delivering at the West of Horsham (Highwood) site where 67 homes per annum has been achieved on average, which is supported by our analysis of the existing strategic sites upfront in this section. The build-out rate on this site rises to 76 pa for the peak period from 2014-22. Berkeley Strategic note that market conditions have worsened over recent years and that peak delivery achieved at Broadacres and Highwood was 91 homes and 172 homes respectively. The Highwood scheme included 20% affordable housing, and therefore for a comparable market build out rate, with 35% affordable housing, would achieve 82 dpa.
- 4.54 Through discussion with Berkeley Strategic, we understand that the assumed delivery rate of 100 homes per annum is linked to the intention of having one outlet on site but with a variety of products coming forward including extra care housing as well as affordable housing. The focus on varying products is a point of difference to the approach taken at Broadacres which Berkeley Strategic states has led to lower delivery rates.
- 4.55 In respect of the developer's approach to water neutrality, Icenl has been informed that there is an issue on the final phase of the adjacent site, Broadacres (c 80 homes). Berkeley Strategic has stated that they are moving close to resolving the issue with Horsham. In respect of the new site, the intention is to focus on water efficient design (i.e. a maximum of 85 litres per person per day) and also draw on the SNOWS. The working assumption is that there will be sufficient water credits by the time an application is submitted.
- 4.56 It is clear from a review of the evidence base that there is unlikely to be any significant delays resulting from strategic infrastructure provision based on the current evidence although there is some uncertainty around the availability of water credits generated through the SNOWS and the implications on timings.
- 4.57 Berkeley's existing Southwater scheme is due to be largely built by 2028/29 and as a result, the transition across to this site would be relatively straightforward. Whilst taking account of the justification set out by the developer around the build out rate, Icenl consider that it would be prudent

to take a more cautious approach to the build-out rate. Iceni has therefore assumed first completions in 2029/30, which is essentially in line with the developer assumptions for this site, with a build out rate rising from 40 homes in the first year to 80 homes per annum thereafter resulting in 840 homes in the plan period to 2040.

East of Billingshurst

- 4.58 This strategic site located to the east of Billingshurst. Billingshurst is located 10km south west of Horsham. The site is being promoted by Bellway Homes and Crest Nicholson through a Joint Development Agreement for 650 homes within the plan period. It is a greenfield site on 90 ha of land and a railway line crosses the site.
- 4.59 In respect of infrastructure requirements, the Council's IDP outlines a need for bus service improvements from the site to Horsham, a new bridleway link to the railway station and improvements to the A29 Northern roundabout, as identified in the Horsham Transport Study. The IDP also sets out that a 2FE Primary School is required in the first phase of development owing to the absence of local school capacity. The promoter has informed Iceni that they are still negotiating with the County Council and are actively meeting to discuss what can be delivered (assuming there are no contractual minimum payments).
- 4.60 To facilitate the development, a new access route and associated roundabout off the A272 is also required, as well as secondary vehicle access off the A272 linking to Amblehurst Green. The Council's Viability Study has found that the development is viable taking these requirements into consideration.
- 4.61 The promoter has set out an indicative overview of infrastructure phasing which will see site enabling works, including access from the A272 in the southern part of the site, undertaken in 2024/25 to enable a serviced plot for the primary school as part of the first phase of development. The link to the northern A272 access would be provided in 2027/28.
- 4.62 Separately, Southern Water has set out that there is a need for reinforcements to the wastewater network which will be funded by the developer via a New Infrastructure Charge levied by Southern Water. There is also a need for wastewater treatment capacity upgrades in Billingshurst which are expected to be funded through the Southern Water Business Plan over the period to 2020-2025. Southern Water has set out that occupation should be phased to align with the delivery of network reinforcement.
- 4.63 The IDP also makes clear that there are potential capacity issues in the electricity network in the west of the District around the Billingshurst area. However, SSEN has indicated the first stage of reinforcement to support new development would be a new interconnector to a primary substation in Five Oaks and should not result in significant delays to the level of residential development proposed

in the Local Plan in this part of the District. Any additional commercial or industrial requirements in the area may limit the scope for development with this level of reinforcement.

4.64 In respect of water neutrality, the developers have informed IcenI that surveys were underway on-site in September 2023 and preliminary work has been done on a bespoke solution to bringing forward development without impacting on the water network. This would involve the use of an on-site borehole avoiding any impact on the Water Supply Zone. The developers have noted that the early delivery of homes is dependent on the on-site solution and this is an evident risk in respect of the delivery of this site.

4.65 Through our latest discussions with the developers, we understand that a planning application can be submitted before the end of 2023. Bellway and Crest have entered into a Planning Performance Agreement (“PPA”) with the Council with the intention to submit a hybrid planning application in line with the publication of the Regulation 19 Local Plan (which the LDS confirms will be in January 2024). At present, the developers envisage the following application timetable:

- PPA Process / Pre-Application: 2021-2023
- Submission of a Hybrid Planning Application: Late 2023-Early 2024
- Determination: Mid-2024
- Conditions Discharged: Late 2024-Early 2025
- Start on Site: Late 2024

4.66 The expectation from the developers is that the application will be determined in mid-2024. The developers expect to then commence enabling works and deliver the first 50 homes (i.e. 25 homes from each developer) in 2024/25. The developers are looking to achieve a peak build-out rate of 150 homes per annum with first completions in 2024/25 and site completion in 2028/29.

4.67 In respect of the build out rate, the site promoters state that they are well placed as national housebuilders and also note the rate of delivery immediately to the north of the site – which has achieved average delivery of 128 homes per annum and peak delivery in 2020/21 of 220 homes. Bellway have also informed IcenI that they have undertaken market testing and there is pent up demand associated with the water neutrality slowdown. The Table below provides a breakdown of forecast completions by the two developers.

Table 4.4 East of Billingshurst: Developers' Expected Delivery Rates

Year	Crest	Bellway	Total
2023/24	-	-	-
2024/25	25	25	50
2025/26	75	75	150
2026/27	75	75	150
2027/28	75	75	150
2028/29	75	75	150
Total	325	325	650

Source: Savills, 2023

4.68 Reviewing the planning application timetable suggested by the developer, Icen consider that first completions in 2027/28 is more realistic to allow for the submission and subsequent adoption of the Local Plan, determination of the application, reserved matters consent and enabling infrastructure to be delivered as well as allowing the bespoke water neutrality solution to be agreed. In respect of delivery rates, on the basis of two national housebuilders delivering in tandem, with potential multiple start points, and having regard to the existing pace of development in Billingshurst to the north, a sustained peak build-out rate of 120 homes per annum appears more realistic.

4.69 If the peak build out rate is achieved by the developers, the site would complete one year earlier than Icen has assumed in the adjusted draft Housing Trajectory: this would not have a notable impact on overall annual delivery. The build out could be influenced by competition, should development be brought forward concurrently to the west of Billingshurst or at Adversane.

Land at Buck Barn, West Grinstead

4.70 The strategic site, situated at West Grinstead, comprises 165 ha of developable land and is being promoted by Thakeham Homes for 3,100 homes. Thakeham control all of the land being promoted in the form of Option agreements with the landowners.

4.71 In respect of infrastructure requirements, the Council's latest IDP is clear that the A24/A272 Buck Barn Junction will require physical mitigation, as identified in the Council's Transport Study. To facilitate the development, major infrastructure highway works would be required including the conversion of the A24/A272 junction to a 'through-about' roundabout. The indicative costings are around £5.5m and we understand from the promoter's submissions that the site does not require any external funding to be provided – the developer is able to fund and deliver all of the infrastructure required on and off-site related to the development.

4.72 The Council's Viability Study has found the proposed development to be viable, taking these infrastructure requirements as well as the provision of 35% affordable housing and a range of

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- education-related provision including three new schools, care and community infrastructure into consideration.
- 4.73 The Council's IDP sets out that there is currently no gas infrastructure in the area surrounding Cowfold which includes the site. SGN has indicated that there is therefore a need for gas network upgrades which are expected to take around 3 years to programme and complete. However, the promoter has stated that in order to achieve higher sustainability targets, they will not be installing gas infrastructure but instead all properties will be electric heated using energy efficient techniques such as photovoltaic panels, and air / ground source heat pumps which can all be combined with improved thermal properties to the fabric of the building.
- 4.74 The developer carried out early consultation with the statutory electricity provider, UKPN, to determine how best to supply electricity to the development and it has been established a connection can be made either to the Bolney grid network or the Horsham grid network. Thakeham have now undertaken the required searches and confirmed that there is sufficient capacity within the network to facilitate initial delivery, with the wider electrical supply strategy proved viable with UKPN and necessary onsite infrastructure accommodated within proposals.
- 4.75 Southern Water has advised that the site is not within or immediately adjacent to an existing Southern Water Wastewater Treatment Works catchment. In response, the developer has worked with Southern Water to undertake a feasibility study and it has been confirmed that foul flows can be discharged to Broadbridge Heath Wastewater Treatment Works. A new terminal pumping station will be constructed at the commencement of the development, so it is operational for first occupation.
- 4.76 Furthermore, there is a need for water supply network reinforcements. The promoter has set out that supply will come via new mains, installed from the nearest point of connection to the existing Southern Water supply mains, where capacity exists. All reinforcement works will be funded by the developer by way of a New Infrastructure Charge levied by Southern Water.
- 4.77 In respect of water neutrality, a bespoke solution is being developed by Thakeham for the site. The developer has reduced the developable area in order to accommodate two lakes on site which will be connected to the existing stream. The lakes will ensure that, in a storm event, water does not flow off-site. One primary lake will hold the majority of water and one secondary lake will be fitted with a significant natural filter system to purify water from which it will be abstracted for treatment on-site.
- 4.78 Natural England has informed the developer in a letter dated 3rd January 2023 that "*the approach would secure water neutrality for the development*". The next steps include ongoing discussions at technical and board level between the developer and the EA.

- 4.79 A masterplan has been prepared for the site which has been subject to revisions to reflect comments from the Council, public exhibitions and the circumstances surrounding water neutrality. A range of technical work has also been carried out including a Preliminary Transport Review and Transport Strategy.
- 4.80 The developer has indicated an intention to submit an outline planning application which will include infrastructure and the water neutrality on-site solution. The intention is to submit this shortly following the adoption of the Local Plan which would mean a submission potentially in early 2025. The RMA for the first phase would be worked up so as to be ready to submit shortly following the grant of outline permission.
- 4.81 The developer has indicated that they anticipate the development will be built out in its entirety by 2039, on the basis that first completions equal to 200 homes would be delivered in 2028/29 and 300 homes per annum would be delivered beyond this over the period to 2038/39.
- 4.82 The latest delivery programme provided by Thakeham Homes in September 2023 includes an outline of the delivery of key infrastructure, aligned to the delivery of 300 homes per annum, which includes the following:

Table 4.5 Buck Barn: Developer-advised Phasing/Delivery Programme

Year	Homes	Infrastructure
2027/28	0	Delivery of the South Junction (A24/A272 Buck Barn)
2028/29	200	Delivery of first Primary School
2029/30	300	Delivery of the North Junction (A24)
2030/31	300	
2031/32	300	Delivery of Secondary School
2032/33	300	
2033/34	300	
2034/35	300	Delivery of second Primary School
2035/36	300	
2036/37	300	
2037/38	300	
2038/39	200	
2039/40	0	
Total	3,100	

- 4.83 The housebuilder has set out that the existing A24/A272 Buck Barn Junction will be used as a construction access to facilitate early access into the site in order to deliver the first 250 homes. As soon as the Buck Barn junction improvements are complete, works will commence on the new

northern junction and spine road that links the northern area of the site to the first phase and following completion will be the primary route for all occupants and visitors to the development.

- 4.84 The development would principally be built out by Thakeham Homes under two different brands – (1) Thakeham Homes’ Alphium brand and (2) the main Thakeham brand. In order to achieve 300 homes per annum, the developer sets out that this would be done by using modern methods of construction via a panelised approach building under their two brands and also by working with affordable housing providers to deliver alongside them.
- 4.85 Thakeham state that they can assemble a 3-bedroom house, including installation of windows, doors, and electrics and to a plasterboard stage with its roof on, in 3-5 hours. They then complete the brick skin on the external and tiling on the roof whilst finishing the inside of the house. This approach has allowed the promoter to bring construction times down from 32 weeks for traditional build (17 weeks for timber frame build), to 8 weeks for this product. Iceni agrees that the use of Modern Methods of Construction (MMC) in this way should allow a faster build-up of completions, and enable stronger delivery rates than would otherwise be achievable.
- 4.86 Nonetheless, we do consider that there are some risks to delivery at this pace (300 homes per annum), not least as whilst MMC may support a shorter period of construction, consideration does also need to be given to the pace of sales. There is also no evidence to show that Thakeham have achieved 300 homes per annum on sites elsewhere and, compared with West of Ifield which is also intending on delivering 300 homes per annum, there is less diversity with regards to developers/brands and no involvement from Homes England which has unique leavers which can be used to drive housing delivery rates. West of Ifield is also located in an area with major employments centres/ locations in close proximity.
- 4.87 Iceni therefore consider that a more cautious assessment of the build-out rate would be appropriate with peak delivery of 200 homes per annum building up from 75 homes in the first year to 125 homes to 150 homes to peak delivery with total delivery in the plan period to 2040 of 1,500 homes. Iceni has assumed a longer lead-in time, with first completions in 2031/32, to be more realistic to allow for time bring forward the proposed water neutrality solution prior to the delivery and occupation of homes on site and deliver the necessary enabling infrastructure. The strategic infrastructure which is necessary to support development (and associated upfront costs), means that there is a need for development to come forward at pace to support the scheme viability.

Land at Adversane

- 4.88 The strategic site at Adversane is located at and surrounding Steepwood Farm. It comprises 150 ha of land and is being promoted by Our Place for 2,858 homes, 2,536 of which they indicate will be provided with the plan period to 2040. The site is part owned by Kingswood Village Developments,

Eton College and Chichester College, with legal agreements in place in favour of Kingswood Village Developments.

- 4.89 As part of the development, a range of major infrastructure provision is required, including the delivery of a B2133 Priority Junction, construction of a bridge over the Arun Valley railway line to facilitate the closure of the high-risk level-crossing on the B2133 and the construction of a new roundabout of the A29 to provide access to the bridge. There are also several off-site junction improvements proposed.
- 4.90 The promoter has informed Iceni that there is a tripartite agreement with Network Rail and the County Council in place over the proposed scheme. Iceni understands from discussions with the developer that 300 homes can be delivered prior to the construction of the bridge and a detailed feasibility study has confirmed the viability of the proposals. However, at this stage, the developer is unable to progress discussions with Network Rail further without the publication of the Regulation 19 Local Plan. Further discussions will include details on closing the level crossing, and delivery of the bridge through the tripartite agreement with Network Rail and the County Council. These discussions could invariably delay when the site comes forward.
- 4.91 In respect of the B2133 Priority Junction, the promoter has indicated that this will be delivered as part of the first phase and will provide access for the 300 homes to be delivered prior to the bridge trigger.
- 4.92 In addition, a 6-8 FE All Through School and 2-3 FE Primary School will also be required on site. However, there have been limited discussions with the County Council on exactly what is required. Nevertheless, the promoter has proposed to allocate land to both a Primary School and a Secondary School, so it could be serviced at the earliest part of the development.
- 4.93 In respect of gas provision, the Council's IDP states that there is currently no gas infrastructure in the area. However, the promoter has set out that no mains gas is planned for the development given the site's net carbon zero strategy – the promoter has committed to avoiding gas mains to housing.
- 4.94 The Council's 2022 IDP also makes clear however that there are potential capacity issues in the electricity network in the west of the District around the Billingshurst/Adversane area. SSEN has indicated the first stage of reinforcement to support new development would be a new interconnector to a primary substation in Five Oaks and should not result in significant delays to the level of residential development proposed in the Local Plan in this part of the District. Any additional commercial or industrial requirements in the area may limit the scope for development under this level of reinforcement. The next stage of reinforcement would involve upgrading the Billingshurst or Five Oaks primaries, which would be a major capital scheme and would take several years to

complete. Upgrade works at this level would require further feasibility work to be undertaken in order to determine exact requirements and indicative costs.

- 4.95 The promoter has informed IcenI that Phases 1 and 2 could come forward from existing substations; however, the promoter has recognised that for future phases, upgrade/reinforcement of the 33Kv network and new 33KV Primary circuit-breaker will be required. At the time of writing, the associated timescales for these works remain uncertain.
- 4.96 The Council's IDP is also clear that water supply upgrades will also be needed to support development in future. If growth at Adversane was to occur alongside the development at East of Billingshurst, this would have the potential to double the current Billingshurst WTW catchment size over the next 15-20 years requiring additional investment. This would be picked up through Southern Water's Asset Management Plan, either in the next Business Plan period (2025-30) or in the subsequent period (2030-35) and would not prohibit development on this site; however, clearly this would have implications for the lead-in time and build out of this site.
- 4.97 The promoter has informed IcenI that the existing 300mm potable water main that traverses the site has sufficient capacity to serve an initial phase of 1,335 proposed residential units. After an early phase of housing without any upgrades, 700m of main would be subsequently upgraded from the outlet of Upper Nash Nutbourne Water Supply Reservoir to the site.
- 4.98 In respect of water neutrality, the promoter has indicated that the intended solution is linked to its partnership with Chichester College Group and its landholding and buildings within the 500-acre Brinsbury Campus and the associated offsetting potential of this land. In addition to water efficient design of the scheme, the promoter intends to focus on the offsetting potential of the Brinsbury Campus in order to achieve water neutrality. To date, there have been no discussions on the proposal with Natural England and as a result, there is uncertainty as to whether the offsetting scheme envisaged can be achieved in practice.
- 4.99 Overall, the evidence suggests that proposals to address strategic infrastructure issues for the strategic site at Adversane are less advanced relative to other strategic site options.
- 4.100 The promoter has provided a detailed programme of works relating to key infrastructure. This includes the following:
- 2028-30, During Phase 1: Delivery of Priority Junction and the All Through School as well as the delivery of a new sub-station and waste water treatment upgrades.

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- 2030/31, During Phase 2: Delivery of A29 roundabout and access to bridge, bridge across railway line, level crossing removal, local junction improvements as well as water network upgrades and delivery of the Primary School.
 - 2031-33, During Phase 3: Off-site junction improvements and strategic off-site electricity reinforcements.

4.101 In respect of delivery, Our Place are acting as master-developer and will manage the delivery of the development and work in partnership with selected developers to build-out serviced parcels. Their proposals include Build to Rent, self-build and retirement living, as well the provision for employment space. These will help to support the delivery rate. A Masterplan has been developed and has informed a detailed phasing programme across five phases of development. A development partner, Millwood Designer Homes, has been appointed to deliver the first phase of development.

4.102 The promoter intends to submit a hybrid planning application to align with the adoption of the Local Plan. Our Place has entered into a PPA with the Council and, if the site is allocated, expects first completions to take place in 2028 on the working assumption that adoption will be in 2025, achieving a peak build out rate of 190 homes per annum over the period 2036-2038 with all homes delivered by 2044 (i.e. 4 years beyond the plan period). This is set out in the Table below.

Table 4.6 Adversane: Developer Delivery Programme

Year	Homes	Cumulative
2028	94	94
2029	154	248
2030	144	392
2031	158	550
2032	158	708
2033	182	890
2034	182	1,072
2035	182	1,254
2036	190	1,444
2037	190	1,634
2038	190	1,824
2039	182	2,006
2040	182	2,188
2041	174	2,362
2042	174	2,536
2043	161	2,697
2044	161	2,858

4.103 An assessment of the local housing market has been prepared by the promoter’s consultants in order to justify the peak delivery rate of 190 homes per annum. It is noted that the assessment pre-dates the pandemic with data available up to 2019 – however, it drills into sales rates over the period 2000-2019 in the RH14 postcode, which is defined as a wider Billingshurst catchment, and also looks at national research on achieving higher delivery rates. It also sets out a number of factors which it considers will maximise delivery on site, specific to Adversane, including:

- The mix of housing – catering for broad cross-section of the market whilst still aiming the majority of properties at the core market profiles;
- Product & price range – offering diversity of type, tenure and size to appeal across the age/price spectrum from starter homes, to flats, to family housing & bungalows, to retirement/care homes.
- Alternative tenures – including Build to Rent and custom/self-build to add capacity quickly and diversity routes to the market.

4.104 The assessment concludes on a peak annual output of 230 homes per annum from three sales outlets; however, the developer has used a more cautious figure of 190 homes per annum. The assessment then also takes into account delivery at East of Billingshurst. It is noted that taken

together, at the peak, the market would be absorbing up to 460 new private homes per annum which, together with second-hand sales, would represent unprecedented levels. It is also noted however that East of Billingshurst would be built out within 7-10 years whereas Adversane would continue to deliver.

- 4.105 Icen consider that, on the basis of the submissions from the site promoters, initial completions in 2029/30 is more realistic; and that based on the submitted evidence, the rate of annual delivery could be achieved given that a number of developers and products would come forward on site through multiple outlets at the same time. However, there are wider implications associated with the delivery of East of Billingshurst at the same time which would see completions numbers reach levels not seen in the area before. As a result, if both East of Billingshurst and Adversane were to be brought forward simultaneously, the claimed 190 homes per annum could be lower given there are no major employment hubs in the area and the sales market has not been performing as strongly in and around Billingshurst compared with other areas of Horsham.

Land at Kingsfold, Warnham

- 4.106 This strategic site is located east of Kingsfold, approximately 3km north of Horsham. The site was previously proposed for a development of 1,300 homes across five new villages, centred on the existing settlement of Kingsfold and along the A24 with a total site area of 156 ha. However, the promoter is now seeking to deliver up to 2,150 homes in the plan period. There is a total of three landowners controlling the site and all land is held under Option Agreement being led by a single promoter. In May 2023, Wain Estates took over promotion of the land and have indicated that they could deliver the homes.
- 4.107 The development is proposed both east and west of the Sutton and Mole Valley railway line, which divides the site into eastern and western parcels. The promoter has confirmed that access between the two sites is a key constraint and in order to unlock the eastern parcel, a bridge over the railway line is required and is proposed to be provided by the promoter. There is a Statement of Common Ground in place with Network Rail to work together to deliver the bridge. It has been noted that housing development on the western side of the site could come forward in advance of this crossing being provided which would then gain access to the east.
- 4.108 In terms of other transport infrastructure required, the Council's 2020 IDP set out that upgrade works would be required to Warnham Station in order to accommodate additional development. The latest position is that a Business Case was submitted by the promoters to Network Rail detailing the potential for a new railway station in Kingsfold as opposed to upgrade works at Warnham Station. In May 2021, Network Rail set out two preferred ways for the railway to serve Kingsfold within current operational parameters, as follows:

- Option 1: new station at Kingsfold, with Warnham Station to be closed; and

- Option 2: upgrade Warnham Station as a railhead for Kingsfold.

4.109 IcenI understands through discussions with the promoter that these two options remain on the table, but no decisions have been made. At the time of writing, we understand that the promoter is continuing to engage with Network Rail as well as the Department for Transport about the proposal. The promoter notes that some housing can be brought forward ahead of this; although at this stage it is not clear how many homes can be delivered – the working assumption is that a new train station would be delivered in Phase 6 (see Table below). It is also not currently clear how the station would be funded and thus, there are significant risks associated with its delivery.

4.110 In addition to the work around the station, the scheme would be required to deliver an A24 relief road around the existing settlement of Kingsfold. The promoter has confirmed that the land for the A24 Relief Road is reserved within the first phases of development as is the land required for a new rail station and bridge crossing. The promoter has informed IcenI that the relief road remains an option that is on the table; however, further discussions with the County Council are necessary to determine how and when this should come forward.

4.111 The delivery programme submitted to IcenI from the promoter sets out an indicative infrastructure programme by phase alongside the number of homes to be delivered. This suggests that the Relief Road would be delivered in the first three phases along with the delivery of over 1,000 homes on the western side of the site; however, the promoter has recognised that a trigger could be agreed with the Council. The railway bridge and station crossing would be delivered in Phase 5 and 6 respectively, as set out below:

Table 4.7 Kingsfold: Developer-advised Delivery Programme

Phase	Year(s)	Homes	Key Infrastructure
1	1-2	363	
2	3-4	241	Social Infrastructure (GP Surgery, Primary School, etc)
3	5-6	440	Relief Road Completed
4	7-8	118	
5	9-10	260	Railway Bridge Delivered
6	11-12	247	New Train Station
7	13-14	276	
8	15	205	

4.112 The Council's Viability Study has found that the promoter's benchmark land value cannot be met but a reasonable premium is achieved taking into consideration the A24 Relief Road as well as the potential for a new Parkway station along with 35% affordable housing provision and community and education provision. The Viability Study has noted that if the benchmark land value of £150,000 per gross acre represents the minimum payments required for the landowner to release the site for

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- development, there may be a deliverability issue. As a result, based on the Council's evidence base, there are potential viability challenges given the major strategic infrastructure needed to support the scheme.
- 4.113 In response, the promoter has informed IcenI that they have questioned the number of crossings on the flood plain (i.e. the eastern side of the site) required in a viability context. The promoter is currently reassessing where housing is to be located on the eastern side so to remove the need for a crossing on the flood plain. In any event, the promoter is confident that the scheme is viable and there is no need to reduce the proposed quantum of affordable housing.
- 4.114 Southern Water has set out that wastewater capacity upgrades are required for the site and these upgrades would potentially come forward service provider's Asset Management Plan which spans five year periods. There's also a need for wastewater network reinforcements which would be delivered within 24 months of planning consent.
- 4.115 In respect of water neutrality, the promoter has informed IcenI that they have engaged in discussions with SES Water who have confirmed that as the northern end of the land parcel is adjacent to the southern end of its Water Resource Zone (i.e. not the affected Sussex North Water Resource Zone): there is no issue with drawing water from this zone in principle. SES Water are currently undertaking a review of the zone which could conclude that there is an adequate supply for the proposed development from the separate zone. There have been no discussions with Natural England. As a result, there is some uncertainty as to whether the alternative water supply can be achieved given there is not yet any agreement with SES Water that the proposed solution can go ahead.
- 4.116 In delivery terms, the previous iteration of the scheme sought to build out the full quantum of housing over two phases. However, as noted above, the revised proposals will be delivered over a total of 8 phases. At this stage, there is potential for Wain Estates to deliver the housing on-site via its delivery arm Wain Homes.
- 4.117 The promoter expects first completions on the western side of the site in Q4 2027 with a 14-year build programme. The promoter expects completions of around 100 homes in year one followed by around 250 in year two under the first phase with a delivery rate thereafter ranging from 100-200 homes per annum.
- 4.118 It is IcenI's view that the submission of a planning application is unlikely for some time owing to the number of key strategic constraints and unresolved issues around infrastructure. There would potentially need to be three developers identified in order to achieve the proposed build out rate of around 150 homes per annum and the higher assumed build out rate in excess of 200 homes per annum appears relatively ambitious. The site is somewhat detached from the main economic drivers and even with the addition of a station, would still be served by a suburban railway service. IcenI

therefore considers that 150 homes per annum would be the peak level of delivery possible providing that there is a number of developers on site with a variety of products.

Land at Rookwood, Horsham

- 4.119 The strategic site located at Rookwood Golf Course is on the western side of Horsham, between the urban area and the A24. It comprises a total of 109 ha of land. At the time development was being proposed on the site, the expectation was that 39 ha of land would be retained as a Nature Reserve. The land is in a single ownership and is owned by Horsham District Council and Iceni understands that the Golf Club's lease expires in 2022/23.
- 4.120 The site comprises a mix of open fairways, greens and areas of rough grassland and trees; divided into a northern and southern section, separated by the B2237, Warnham Road. The northern section of the site adjoins Warnham Nature Reserve to the east, and the southern section of the site adjoins the built form of Horsham, in a predominantly residential part of the town.
- 4.121 The initial proposals submitted for the site identified the northern and southern sections of the site for a development of around 1,100 homes. However, the latest correspondence from Horsham District Council's Estate's Team is that the site was no longer available for consideration through the Local Plan. Furthermore it is now the firm position of the Council (as landowner) that the site should not be developed. It has therefore not been considered further.

Land West of Billingshurst

- 4.122 This strategic site is located to the West of Billingshurst, to the west of the A29. The site extends to around 99 ha of land and the scheme is being branded 'Newbridge Park.' The land is in single ownership of Arunway, a company owned by the landowner. Highwood Construction have been appointed as the development partner for the site.
- 4.123 Over the last six months, two previously separate parcels forming the site have been connected through bringing on board Billingshurst Parish Council with its land - Jubilee Fields – as well as the Billingshurst Sports and Recreation Association in exchange for the provision of sporting facilities via a formal legal Cooperation and Planning Agreement. As a result, there is now 27.5 ha of land identified for residential use and the intention is to deliver 1,000 homes over the plan period with the addition of retirement housing over and above this.
- 4.124 In respect of highways infrastructure, the Council's 2020 IDP sets out a requirement for a range of education provision including Primary and Secondary School provision; as well as new bridleways linking the land parcels to Billingshurst. However, no significant highway work was identified as critical or essential in the IDP.

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- 4.125 In respect of education, Highwood state an intention to provide a 2FE primary school on site and in respect of highways, the site access points are to be taken from the existing road network in the form of new junctions and an extra arm on the northern roundabout. In respect of the education provision, the promoter has informed Iceni that the 750th unit has been suggested to the County Council as a potential trigger point; however, this is yet to be confirmed and if it is earlier, it would not be a major issue.
- 4.126 At the time of writing, no development programme for the delivery of infrastructure provision has been set out; however, the developer has confirmed that they are in early discussions with Homes England who have confirmed their willingness to assist in exploring opportunities for the early funding and delivery of key infrastructure. The promoter has informed Iceni that once there is clarity on the Regulation 19 Local Plan, there is potential for funding assistance from Homes England; however, this has not been confirmed by Iceni or corroborated. A pre-application request has been submitted to the County Council in order to understand exactly what is required with regards to highways infrastructure, although the promoter expects this to be relatively straightforward.
- 4.127 Outside of these elements, the Council's IDP does make clear that there are potential capacity issues in the electricity network in the west of the District around the Billingshurst/Adversane area. The level of development proposed in the area in the Council's draft Regulation 19 Local Plan is not likely to require reinforcement which will result in significant delays; however, any additional commercial or industrial requirements would limit the scope for development as well as any additional development sites – which would include the West of Billingshurst site.
- 4.128 In response, the promoter has informed Iceni that a consultant has been appointed to calculate the load generated by the development. Once known, the promoter will then apply for a point of connection to determine if there is capacity. As a result, at the time of writing, the potential electricity capacity to support the development is unknown.
- 4.129 There is also a need for wastewater treatment capacity upgrades which is expected to be delivered by Southern Water through its Asset Management Plan 8 relating to the period 2025-30 and funded through its Business Plan. However, this is subject to the scale of growth brought forward elsewhere (East of Billingshurst and Adversane) and Southern Water being able to identify alternative strategies longer term for dealing with sewage treatment given a finite ability to bring existing facilities up to required standards. There is nevertheless potential for this to impact the timings of delivery.
- 4.130 In respect of water neutrality, the promoter has informed Iceni that they intend to design the scheme as efficiently as possible. However, the promoter has also secured one farm with the potential for an additional two other farms which would be used to offset the water generated from the development by contributing sufficient funds to the farms to reduce their water consumption by an amount that would equal the calculated water consumption of the proposed development. Together,

this farm offsetting would allow for the development of around 250 homes. There are additional discussions ongoing with a large landowner to offset the remainder of the development.

4.131 In respect of delivery timeframes, the developer has suggested previously that a hybrid planning application could be submitted in around 12 months in November 2024. The working assumption is that this could be determined around June 2025 with a start on site in January 2026. The promoter expects first completions in 2026/27 with initial delivery of 50 homes rising to 200 homes per annum with the site build out in full by 2031/32. The delivery timescales for the retirement element have not been provided.

Table 4.8 West of Billingshurst: Highwood Forecast Delivery

Year	Homes
2026/27	50
2027/28	200
2028/29	200
2029/30	200
2030/31	200
2031/32	150

4.132 The promoter states that this high rate of delivery has been achieved on other sites namely Stoneham in Eastleigh, where the following rate of delivery has been achieved in recent years:

Table 4.9 Stoneham, Eastleigh: Highwood Delivery Performance

Year	Homes
2018/19	141
2019/20	356
2020/21	158
2021/22	92
2022/23	134
Avg	176

4.133 On the Stoneham site, the promoter has 3 sales outlets all being built out by Highwood and this model would be replicated at the West of Billingshurst; however, Icení would note that the site location is notably different with the Stoneham development being located very close to Southampton and the M27 whereas the Billingshurst site is comparatively in a much more rural location. The intention at West of Billingshurst is to deliver conventional homes of varying types and sizes alongside the retirement element.

4.134 If this site was to be included in the Local Plan, we would expect the lead-in time to be longer with a lower sustained build out rate of around 100 homes per annum despite the evidence of high performance on the Stoneham site given the difference in site characteristics. Icení would also note that the build out rate could be influenced by the scale and timing of delivery of other sites in the Billingshurst area alongside issues around electricity capacity.

Sub-Area Dynamics

4.135 The site analysis above has focussed on delivery commentary for individual sites in isolation. There are however inter-relationships to consider at a localised level should multiple strategic sites come forward in tandem. In the context of the Council's emerging Regulation 19 Local Plan, this includes questions regarding market capacity in respect of growth in and around the western side of Crawley alongside Horsham. These issues are tested in the next section.

5. REVIEWING THE COUNCIL'S PREFERRED OPTION

5.1 It is important that the Council is able to demonstrate to a Planning Inspector, at the point the Local Plan is examined, that the housing trajectory can be delivered and that the Council can demonstrate a five year housing land supply on adoption. This section considers and reviews the preferred strategy and associated housing trajectory set out in the Council's Regulation 19 Pre-Submission Local Plan, drawing on our review of the market and proposed site allocations in the preceding sections.

Overview of Methodology

5.2 In line with the methodology set out in the 2020 Housing Delivery Study, IcenI has focussed on the level of housing growth in Horsham District as a whole - housing growth which is planned within the District – as well as housing growth which is coming forwards in surrounding areas in locations which are not within the District but are in close proximity to it.

5.3 As the emerging Regulation 19 Local Plan has set out a preferred strategy which includes draft allocations for strategic sites as part of a draft Housing Trajectory, our exercise in this update report is more focussed on the areas within and surrounding the District which are in the frame (i.e. those areas which will see development in the emerging Horsham Local Plan and Crawley Local Plan). On this basis, we have continued to assess, from a market capacity perspective, the relationship between the north of the District and the level of growth proposed in Crawley Borough. Crawley Borough Council submitted its Local Plan to the Secretary of State on 31st July 2023.

5.4 In this update report, our analysis has therefore involved the following two key stages:

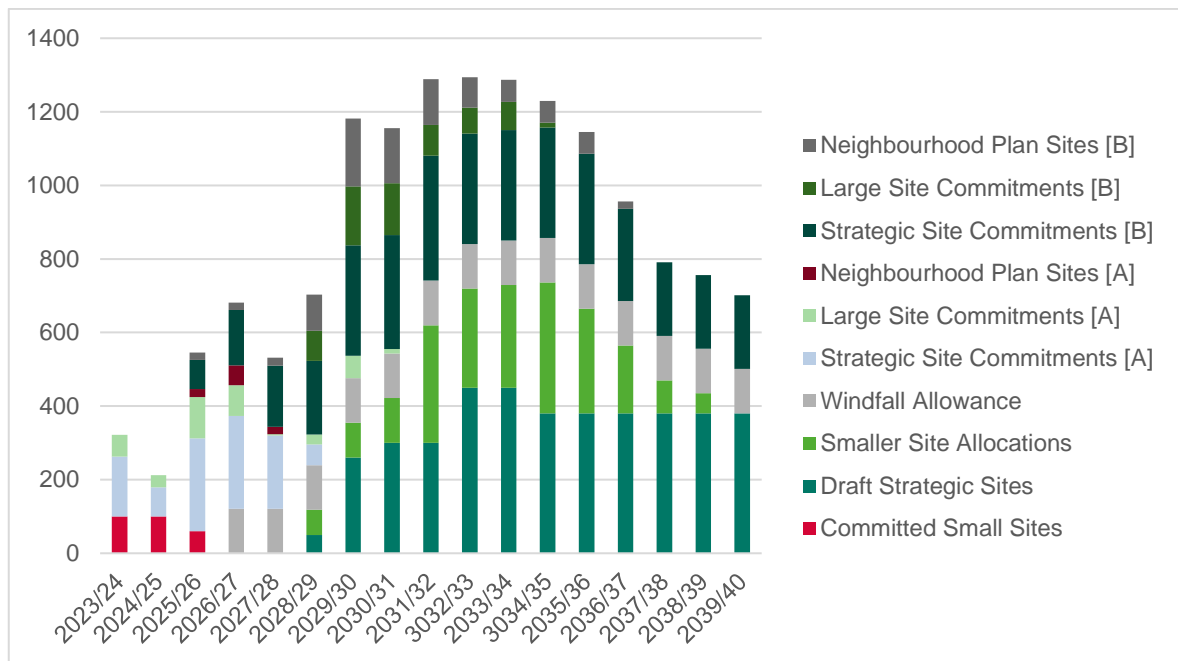
- **Council's Draft Housing Trajectory** – IcenI has used the Council's draft Housing Trajectory prepared as part of the Regulation 19 Pre-Submission Local Plan consultation as the starting point before drawing on our review in Section 4 of the lead-in times and build out rates of the Council's strategic sites to ensure that the assumptions used are realistic and supported by the evidence base and the promoter's own submissions. IcenI has then adjusted the Council's Housing Trajectory accordingly and presented it herein; and
- **Sub-Area Trajectory Analysis** - we have then updated our trajectories for the three different sub-areas used in the 2020 Housing Delivery Study, taking account of new permissions and allocations as well our adjustments to strategic sites where appropriate. This stage also includes due consideration of housing provision in Crawley to ensure that we have an understanding of how the spatial distribution of development could affect delivery potential and potential cross-boundary market influences on market capacity, specifically in the North.

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- 5.5 Through these two steps, we have sought to provide commentary on the realism of the preferred strategy and Housing Trajectory at a District and local level to determine whether there are any risks in market capacity terms or whether it is realistic for the Council to move forward with the preferred strategy.

District-Wide Housing Trajectory

- 5.6 The NPPF-led housing requirement for the District as defined by the Government's Standard Housing Methodology is 15,487 homes which is reflective of local housing need (again as defined by the Government's formula) of 911 homes per annum across the plan period. This equates to a growth rate of 1.2% per annum over the plan period.
- 5.7 The Council's draft Housing Trajectory was supplied to Icen Projects in the early stages of this study, and incorporates the delivery of large and small sites with planning consent in the District, outstanding allocations from both the Horsham District Planning Framework and Neighbourhood Plans as well as a windfall allowance. The Housing Trajectory also includes the Council's draft allocated strategic sites, which are – (1) West of Ifield, (2) West of Southwater and (3) East of Billingshurst. It should be noted that the Council's Housing Trajectory has evolved, even in the late stages of Plan preparation, as the evidence has been refined and updates arising from development management taken account of. The draft outputs of this study have also fed into the Council's final Regulation 19 Housing Trajectory.
- 5.8 Figure 5.1 below shows the Council's draft Housing Trajectory with adjustments reflecting our analysis of the evidence base and latest submissions and discussions with the strategic site promoters. Icen have used these to make some adjustments to the Council's trajectory. The District-wide trajectory arising from this sees average housing delivery over the 2023-40 period of around 870 homes per annum with peak delivery of around 1,294 homes in 2032/33. The total housing provision would be equal to 14,783 homes and would therefore fall below the minimum local housing need of 15,487 homes.

Figure 5.1: Horsham Regulation 19 Housing Trajectory: Icenj Adjustments



- 5.9 Looking at delivery over five year periods, housing completions average out at 459 homes per annum over the first five years reflective of the delays anticipated with water neutrality issues – this is notably below recent average housing completions over the last five years in the District. Over the 2028-33 period, average housing delivery is expected to increase to an average of 1,125 homes per annum as the District’s larger strategic sites begin to come on stream. This is 3% higher than the delivery achieved in Horsham District over the 2015-20 period (1089 dpa). This level of housing provision is above the average since the last Local Plan was adopted in 2015 at 981 homes per annum; however, this number has been exceeded and higher growth is not unprecedented.
- 5.10 The latter years of the plan period would see delivery tail off back down below 1,000 homes per annum on average.
- 5.11 Icenj calculates a growth rate in housing stock in Horsham District of 1.2% per annum over the plan period to 2040. Over the 2029-36 period where housing delivery would be highest, the growth rate increases to 1.7% per annum. As the evidence in Section 3 shows, some other authorities have achieved a higher rate of growth than this over the period 2013-22 with Horsham achieving a similar 1.6% per annum growth over that period. Over the longer-term period from 2001-22, growth rates in a number of comparative authorities have averaged at around 1.4 to 1.5% per annum.
- 5.12 The evidence therefore suggests that sustaining a growth rate of 1.7% per annum over this particular pinch point would not be unrealistic on the basis of recent delivery performance, and that the phasing of delivery at a District level looks achievable.

Table 5.1 CAGR for Selected Periods

Period	CAGR
Plan Period, 2023-40	1.2%
Pinch Point, 2029-36	1.7%

Sub-Area Analysis

5.13 In line with the 2020 Housing Delivery Study, Iceni has sought next to break down the Council's draft Housing Trajectory (i.e. the Preferred Strategy), as amended by Iceni, into sub-areas to consider the distribution of development within different areas of the District.

5.14 The three sub-areas are:

- **North:** comprising the parishes/areas of Horsham Town, Broadbridge Heath and Southwater together with surrounding parishes including Colgate, Cowfold, Itchingfield, Lower Beeding, Nuthurst, Rudgwick, Rusper, Shipley, Slinfold, Warnham and West Grinstead;
- **South:** comprising the parishes of Ashington, Ashurst, Bramber, Henfield, Shermanbury, Steyning, Storrington and Sullington, Thakeham, Upper Beeding, Washington, Wiston and Woodmancote;
- **West:** comprising the parishes of Billingshurst, Pulborough and West Chiltington.

5.15 As a starting point, the Figure below shows the share of the District's housing provision in each of the sub-areas. This evidently points to a particular concentration of development in the north of the District (i.e. north of the A272) around Horsham, Southwater and to the West of Crawley around Ifield. This is however the area within the District with the greatest concentration of people, employment and existing services and infrastructure; and therefore, the area where a higher delivery rate in relative terms could be expected to be sustained.

Figure 5.2: District Housing Trajectory by Sub-Area



5.16 A comparison of the sub-area trajectories indicates that there would be average delivery of 616 homes per annum over the plan period to 2040 in the north sub-area and would therefore account for 71% of the District’s growth. Over the period 2032-37, delivery is expected to be sustained a rate of over 860 homes per annum with a peak delivery of 926 homes in 2035/36 in the north sub-area.

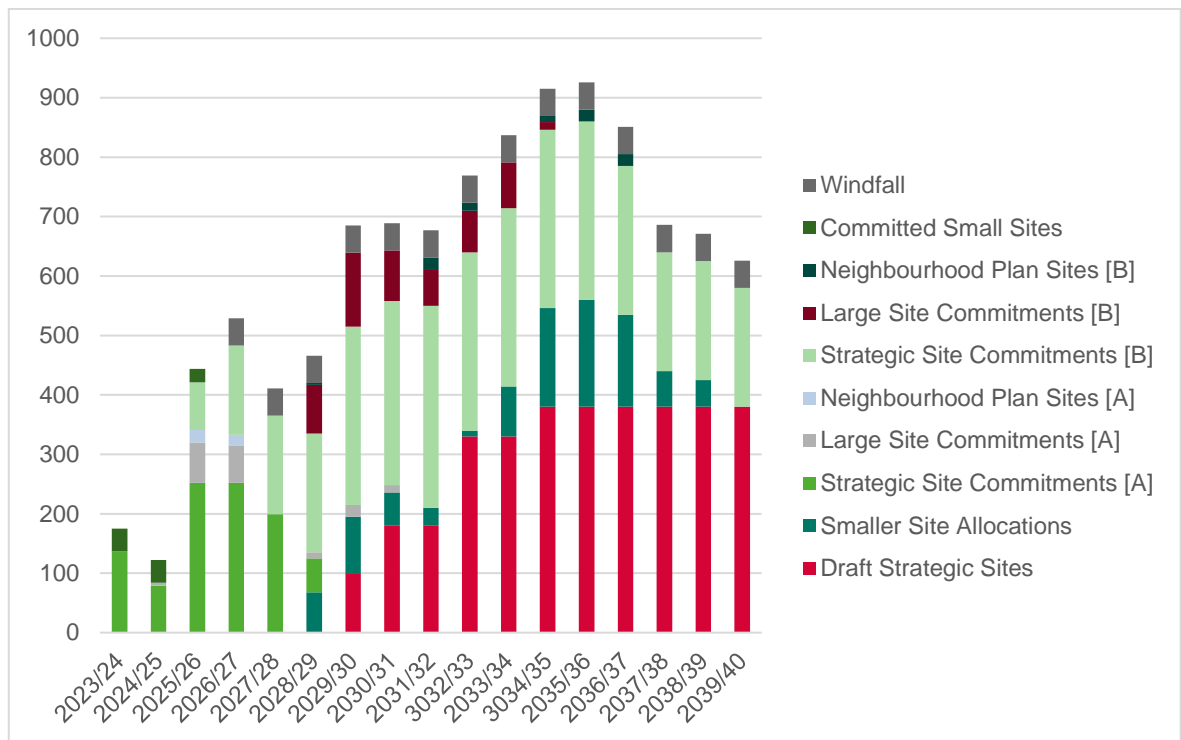
5.17 The (smaller) west sub-area shows relatively modest growth with limited sites delivering beyond 2032/33 at an average of 83 homes per annum over the plan period. The south sub-area sees growth of around 168 homes per annum which is above historic completions since 2011 of 116 homes per annum with the majority of housing coming through smaller sites.

5.18 Our analysis in this sub-section considers each of the sub-areas in turn below.

North Sub-Area

5.19 IcenI has modelled sub-area trajectories in order to better understand the dynamics around housing growth in particular areas of development and to ensure that there is sufficient market capacity to deliver the housing set out in the Council’s preferred strategy in the Regulation 19 Local Plan. In line with our assumptions in the 2020 Housing Delivery Study, we have assumed that 38% of small site development occurs in the north sub-area (i.e. small site commitments and windfalls) on the basis of past trends. IcenI has used our analysis of the delivery timescales for the preferred strategic sites as set out in Section 4 of this report. The trajectory for the north sub-area is set out in Figure 5.3 below.

Figure 5.3: North Sub-Area Housing Trajectory



5.20 Our analysis shows that the north sub-area would deliver an average of 616 homes per annum over the plan period with sustained delivery of around 860 homes per annum over the period 2032-37 (i.e. the pinch point). Over the plan period, looking at the north of the District in isolation (i.e. without Crawley Borough) this would equate to a growth rate of 1.3% per annum which is below the District average over the period 2013-22 of 1.7% and the sub-area average of 1.8% over the same period. Over the period 2032-37 when delivery is expected to be highest, the growth rate would increase to 1.8% per annum in line with the recent trend.

5.21 Given the market characteristics and growth drivers which exist in this area including proximity/transport connections to Crawley, Gatwick and London and a concentration of existing economic activity and services, this area could reasonably sustain growth rates above the District average over the plan period as a whole.

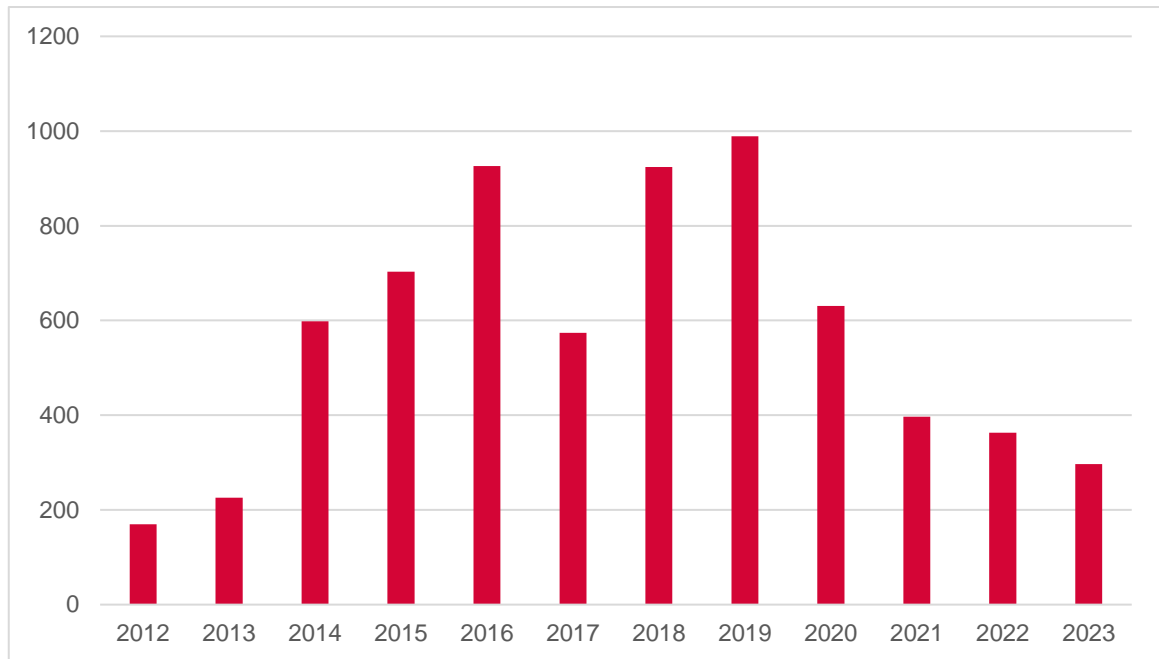
5.22 The rate of growth envisaged in this sub-area is at the higher end of the range for what other local authority areas have achieved historically, but these areas will have included locations within the authority where growth was concentrated and delivery rates were above the local authority average.

5.23 Indeed, looking back to historic completions, the evidence points to a clear upward trajectory in housing delivery in this sub-area over the period to 2019, influenced by the delivery of strategic development schemes including at Broadbridge Heath, North Horsham and Kilnwood Vale. Over the 2012-19 period, delivery averaged out at around 639 homes per annum with peak delivery of around 1,000 homes in 2019 and 925 homes in 2016 and 2018. This is shown in the Figure below.

The majority of homes in the north sub-area has come forward at Kilnwood Vale, Horsham (East) (Highwood) and Southwater in the last two years.

- 5.24 Over the period 2020-23, the market has clearly been influenced by COVID-19 and more recently, mortgage rate increases and water neutrality restrictions with a general slowdown in development across the District.

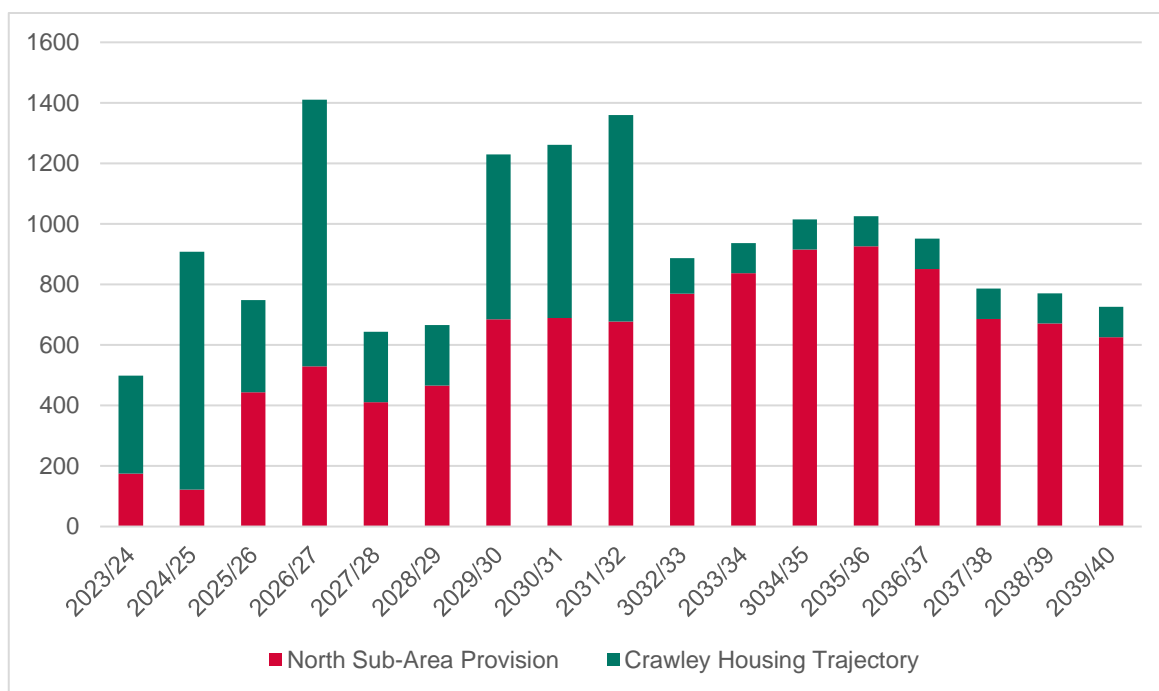
Figure 5.4: Recent Historical Completions in North Sub-Area



- 5.25 As a result, looking at the north sub-area in isolation, the evidence suggests that sustaining housing delivery rates of around 1,000 homes per annum are achievable and historic completions should also be viewed in a context of the Council planning for a lower housing requirement.
- 5.26 In line with our approach in the 2020 Housing Delivery Study, it is our view that consideration also needs to be given to the scale of development within Crawley Borough as well when considering this area of the District. Crawley has tight administrative boundaries where land supply is constrained. There is a clear relationship in the north sub-area between the areas within and surrounding Horsham and Crawley Borough, and the development coming forward to the West of Crawley (such as that proposed at West of Ifield; and at Kilnwood Vale).
- 5.27 Crawley has submitted its Local Plan to the Secretary of State and the latest draft Housing Trajectory has therefore informed our analysis. The Crawley trajectory sees growth of 0.6% per annum over the plan period 2023-40 with peak housing completions in 2026/27 of 882 homes but with development levels falling off shortly thereafter and in particular over the period 2032-40. This is a low comparative pace of delivery for one of the larger towns and larger employment centres in the region.

5.28 If we consider the growth rate envisaged looking at Crawley and the North sub-area together, we find that the rate of growth envisaged of 1.0% per annum is below that achieved across Horsham District in recent years at 1.7% and the sub-area’s average of 1.8% in recent years. It is also well within what other areas within South East England have achieved historically. Indeed it is below the rate of growth required at a national level to deliver 300,000 homes per annum (1.1% pa).

Figure 5.4: Horsham North Sub-Area and Crawley Combined Trajectory



5.29 Looking specifically at the period 2029-36 where housing delivery is expected to be particularly high in the north sub-area and Crawley Borough combined, the growth rate would increase to 1.3% per annum over this five year period and in absolute terms, housing delivery would be higher at over 1,200 homes per annum on average.

Table 5.2 North Sub-Area & Crawley – Projected Growth Rates

	2023-40	2029-36
Base Stock	88,540	93,416
Projected Growth	15,826	8,667
Future Stock	104,366	102,083
Avg Absolute Growth (p.a.)	931	1,238
Growth Rate (p.a.)	1.0%	1.3%

5.30 This is however comparatively low to what has been achieved historically. The north sub-area is the largest sub-area, with strategic sites at West of Ifield and Kilnwood Vale around Crawley, and North Horsham around Horsham Town. In this context, the level of growth envisaged is evidently

deliverable from a market capacity perspective – assuming that successful water neutrality solutions and infrastructure provision are achievable. The delivery of strategic sites in the north would begin to deliver at pace as Crawley’s housing trajectory tails off in the middle of the plan period.

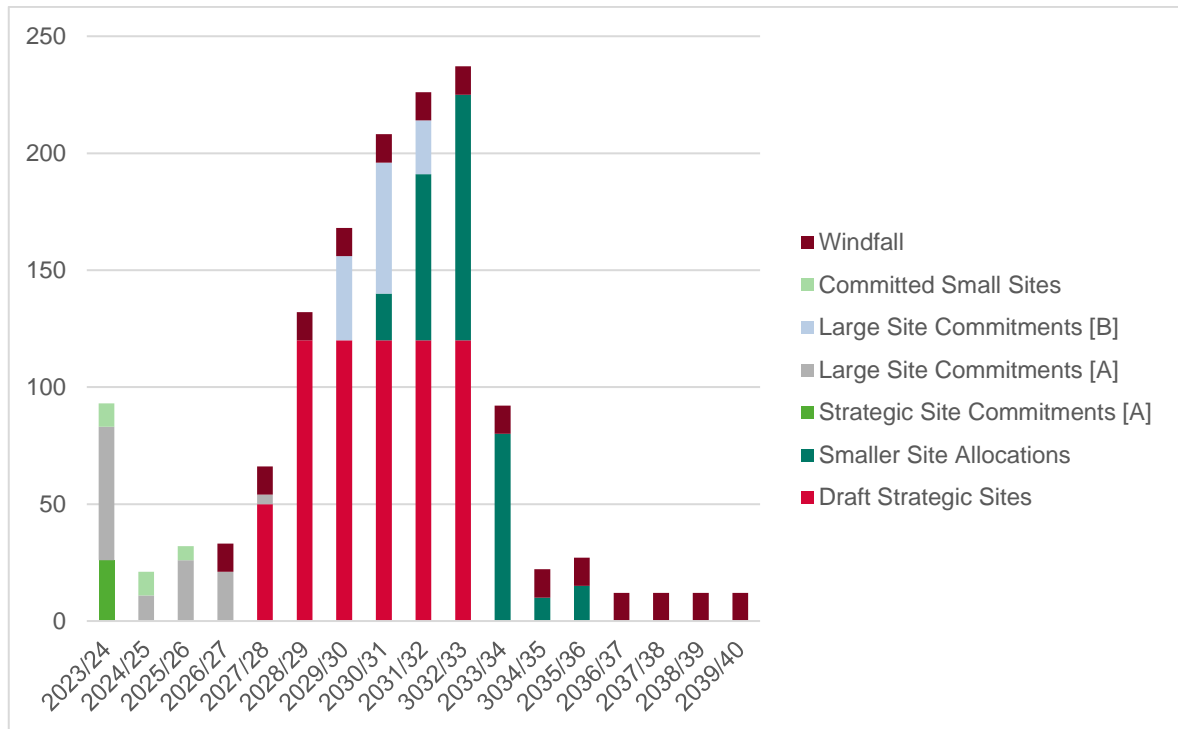
- 5.31 With the two main towns in this area – Crawley and Horsham – and growth spread across them and areas to the south of Horsham Town, it can be concluded that this level of growth is achievable and deliverable.

West Sub-Area

- 5.32 Turning to the west sub-area, we have drawn out the categories of supply across the plan period and have assumed, in line with our assumptions in the 2020 Housing Delivery Study, that 10% of small site development (i.e. small site commitments and windfalls) occurs in the west sub-area on the basis of past-trends. The trajectory also reflects assumptions set out in Section 4 around the strategic site which is expected to come forward in the plan period – East of Billingshurst.

- 5.33 The housing trajectory for the sub-area is shown in the Figure below. The Council’s preferred strategy for this sub-area expects to see average completions of 83 homes per annum over the plan period with the majority of delivery coming forward in the first 10 years of the plan where delivery would average out at a higher rate of 122 homes per annum. Driven by the outstanding number of homes to be delivered at Billingshurst from current commitments, as well as the proposed allocation at East of Billingshurst, the pinch point over 2028-33 would see a growth rate of 2.0% which is ambitious; however, it is not necessarily unrealistic for a small area and there is clear potential for this to smooth out if there is insufficient market demand (with some rebalancing of the trajectory evidently possible given the low delivery rates envisaged in this sub-area beyond 2034).

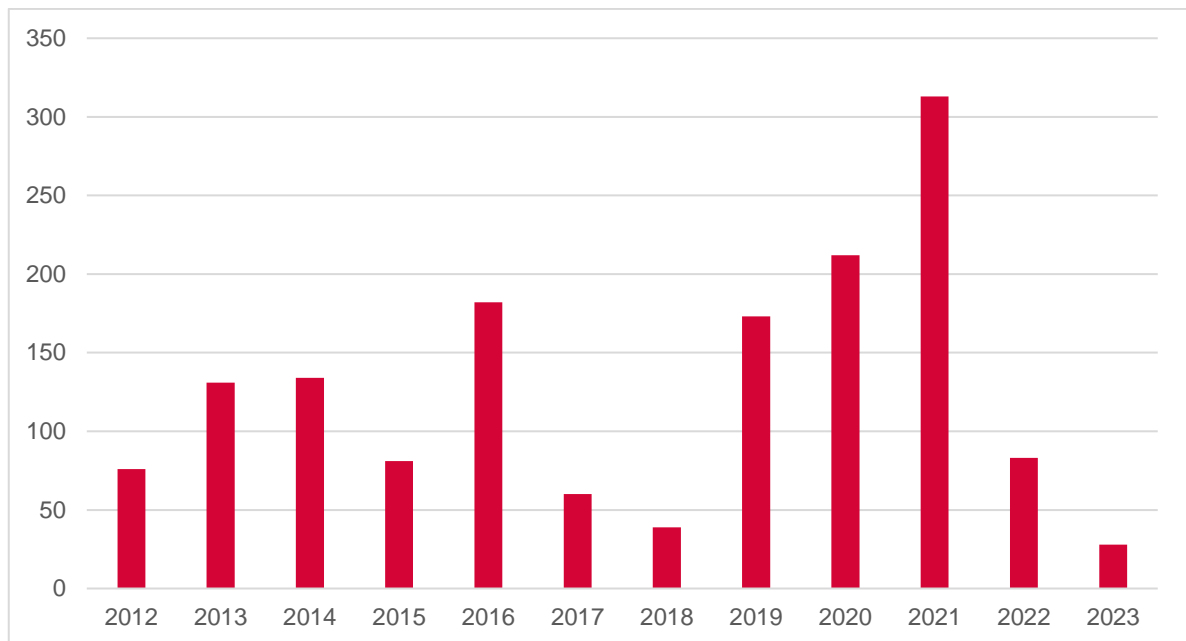
Figure 5.5: West Sub-Area Housing Trajectory



5.34 In considering historic delivery, the Figure below shows that completions averaged 140 homes per annum over the 2012-21 period. However, over the period 2022-23, completions have fallen to 56 homes per annum with the area being particularly impacted by poor market conditions – as noted in Section 3 – as well as a number of sites allocated in the last Local Plan being built out.

5.35 The number of homes delivered year-on-year has varied markedly owing to the nature of development coming forward with peak delivery of 313 homes last year in 2021. The growth rate of period 2012-23 was 1.5% per annum and 1.9% over the period 2012-21 before the recent dip in development which is higher than the District average over the same period.

Figure 5.6: Recent Historical Completions in West Sub-Area



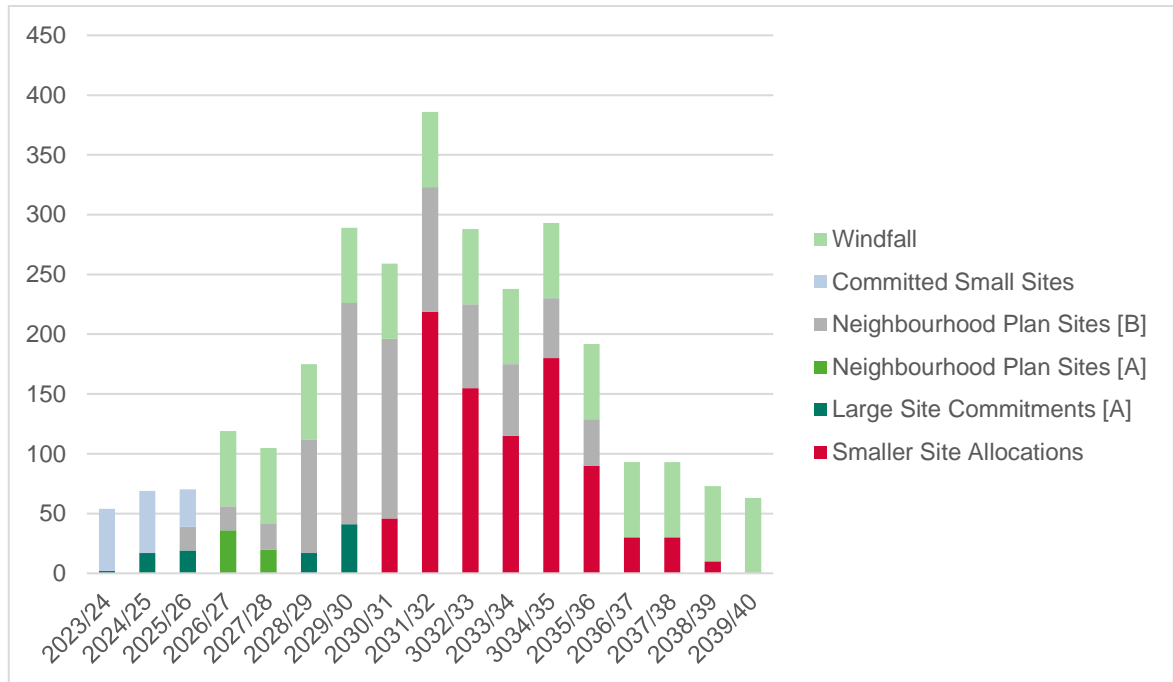
- 5.36 Local estate agents which Iceni has engaged with describe how Billingshurst has attracted a range of buyers including those living and working locally; from other towns and villages in the District and from London influenced by the rail links. It attracts a range of buyers including significant numbers of couples and young families. However, it has been noted by agents that there has been a general slowdown in Billingshurst with a drop in house prices over recent months.
- 5.37 The level of growth envisaged in the Regulation 19 Local Plan in the west sub-area would see the housing stock increase at a rate of 1.4% per annum across the plan period which is below historic trends. However, focussing in on the years of the plan period where delivery is currently concentrated would see the growth rate increase to 2.0% per annum. Although this level of growth is ambitious, the sub-area has sustained higher rates of delivery in recent years and there is headroom towards the backend of the plan period (beyond 2034) for this trajectory to smooth out should market demand fail to support this level of growth. Overall, we consider the trajectory shown for this sub-area to be realistic.

South Sub-Area

- 5.38 The final area is the south sub-area of the District. Iceni has assumed, in line with our assumptions in the 2020 Housing Delivery Study, that 52% of small site development occurs in the south sub-area (i.e. small site commitments and windfall) on the basis of past-trends. There are no strategic sites as part of the Council's preferred strategy in the Regulation 19 Pre-Submission Local Plan. The south sub-area's categories of supply are evidently focussed more so on sites coming through Neighbourhood Plans, smaller site allocations and windfall development.

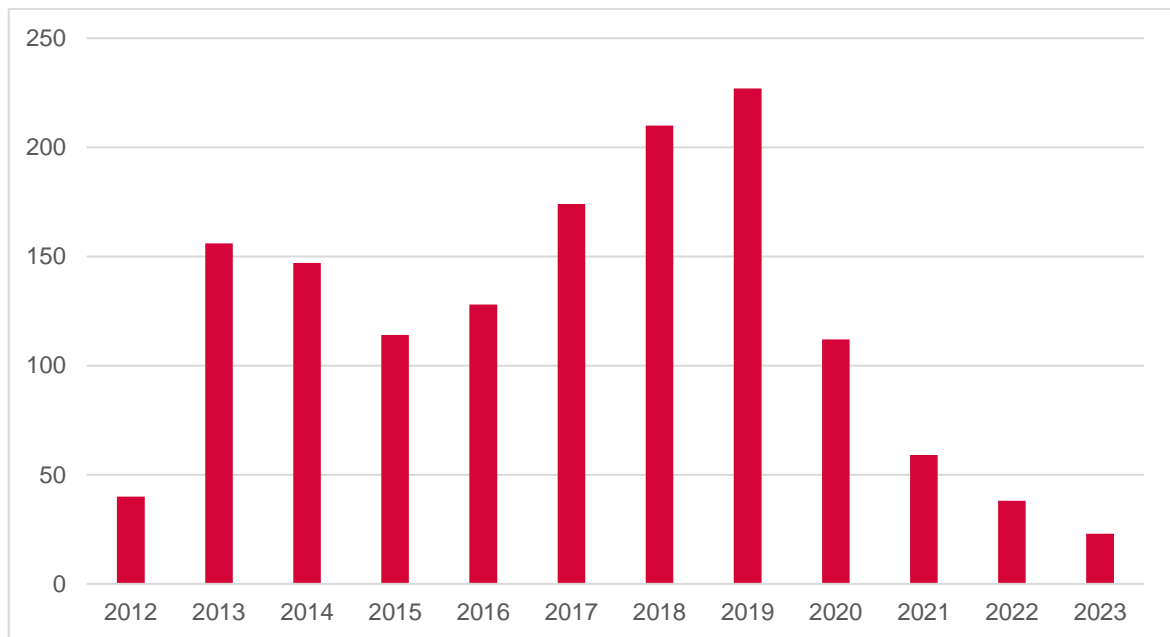
5.39 Across the 2023-40 plan period, it is expected that housing delivery will average out at 168 homes per annum with average delivery increasing over the 2028-36 period to an average of 265 homes per annum as sites identified in Neighbourhood Plans and Local Plan allocations are expected to come on stream. As the housing trajectory in Figure 5.7 below shows, delivery is expected to exceed 380 homes in 2031/32 which is an unprecedented level of development in the south sub-area.

Figure 5.7: South Sub-Area Housing Trajectory



5.40 Over the plan period, the growth rate would be equal to 1.0% per annum. Over the pinch period of 2028-36, the growth rate is expected to increase to 1.5% per annum. Looking at completions in this area over the 2012-23 period, we note that delivery has averaged 119 homes per annum or 0.8% per annum (with peak sustained delivery of 165 homes per annum over the period 2013-19 or 1.1% per annum).

Figure 5.8: Recent Historical Completions in South Sub-Area



- 5.41 The rate of recent housing delivery translates to 0.8% stock growth per annum over the longer period is clearly below what is planned for the sub-area; however, planned growth should be viewed within a context whereby the Council's existing planning strategy focuses development in the north of the District and does not necessarily mean that higher growth cannot be achieved. This sub-area also has strong relationships with the coastal towns to the south such as Worthing, Adur and Brighton where housing delivery is very constrained and as a result, there will be increased market demand.
- 5.42 Nevertheless, given the relative rurality of this area, sustaining average housing delivery of over 250 homes per annum could be challenging albeit achievable. We see limited potential to sustain higher levels of growth over the period to 2031, particularly as the sub-area is restricted by the limited economic drivers.

6. CONCLUSIONS

- 6.1 As Iceni's 2020 report set out, Horsham District Council has a track record in planning for and delivering strategic growth through urban extensions to its main settlements, and to Crawley. The core purpose of this report has been to test that the preferred strategy within the Regulation 19 Local Plan is achievable and deliverable, and its housing trajectory is realistic.
- 6.2 Consideration has been given to the preferred strategy within the emerging Local Plan, and up-to-date information associated with the proposals for strategic sites which the Council is proposing to allocate therein, including the number of potential developers involved and product differentiation, together with infrastructure issues which may affect the timing and pace of delivery. This builds on other elements of the Plan's evidence base and direct engagement between Iceni and site promoters in the preparation of this report. Iceni has also factored in the latest position on water neutrality in the District both at a strategic level via discussions with the Water Neutrality Project Manager and site-specific bespoke solutions via discussions with the promoters.
- 6.3 Delivering the local housing need of 15,487 homes equal to 911 homes per annum as derived from the standard method would represent achieving and sustaining a growth rate in the housing stock of 1.2% per annum over the plan period to 2040 as a whole. This sits below the rate of housing growth achieved in the District over a full economic cycle historically 1.3% per annum and below that which has been achieved in recent years at 1.7% per annum.
- 6.4 Iceni's analysis indicates that the lead-in times to first completions on some of the strategic sites are potentially faster than in the initial trajectory prepared by the Council and therefore adjustments are appropriate. This is based on discussions with the site promoters and a review of available evidence. Site promoters' assumptions on lead-in times and build out rates have both been critically examined in this Study.

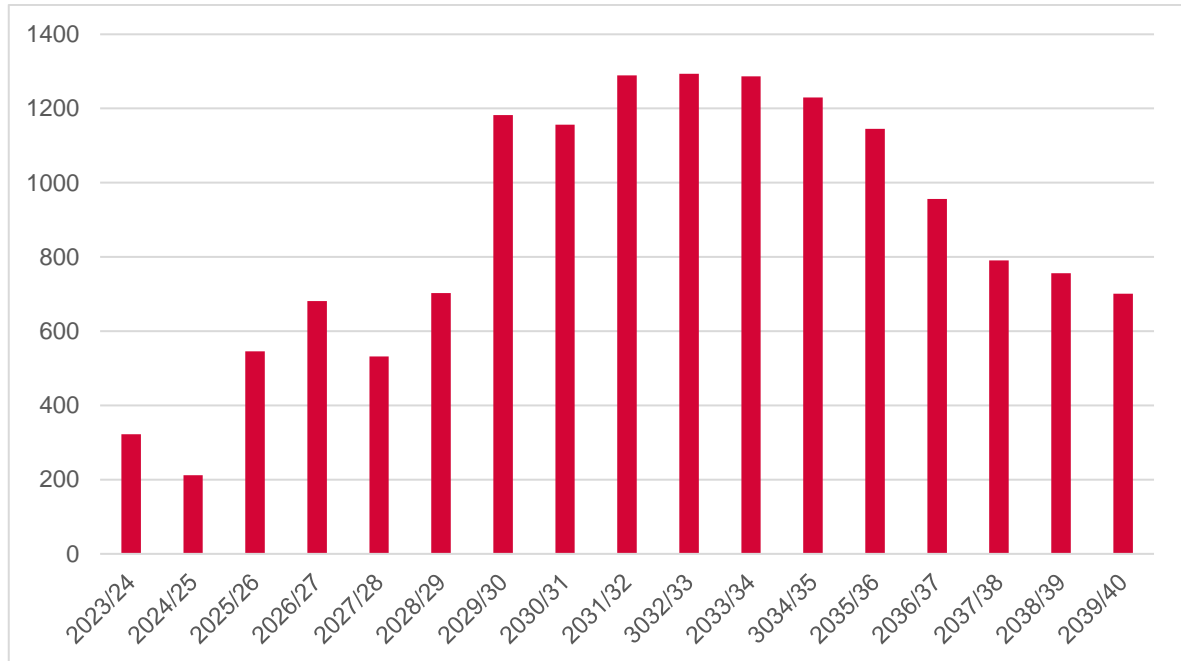
Table 6.1 Plan Period Supply on Strategic Site Allocations based on Iceni market-based analysis

	Capacity	Assumed Supply to 2040
West of Ifield	3000	2560
Land NW of Southwater	1000	840
East of Billingshurst	650	650

- 6.5 Taking this into account, over the plan period the supply position is estimated at 14,783 homes or 870 homes per annum. This sits below the minimum local housing need calculated through the standard method. The planned delivery in early years is relatively low – largely held up by the need to develop SNOWS to unlock sites caught up in water neutrality issues. Subject to the speed of this

process, there is potential for greater or lower levels of growth earlier in the plan period. The final housing trajectory derived from the modelling is shown in the Figure below.

Figure 6.1: Housing Trajectory for Proposed Reg19 Plan, 2023-2040



6.6 As is clear, towards the back end of the plan period, supply tails off from 2033/34. IcenI considers therefore that the housing trajectory is relatively resilient on the basis that there is an allowance for slippage of peak housing delivery into latter years whilst delivering on the proposed requirement.

6.7 There are evident constraints to delivery in the early part of the plan period influenced in particular by the water neutrality issues, which would provide supporting justification for adopting a stepped housing trajectory. Taking account of the modelling of the preferred strategy put forward by the Council in the Pre-Submission Plan, there are broadly three main phases of delivery:

- The initial period to 2029 when the effects of water neutrality are most keenly felt and larger strategic sites are not substantively contributing to delivery. Our modelling shows delivery of around 500 homes pa over this period;
- The middle part of the plan period, from 2029 through to 2035, when housing delivery is expected to peak, supported by the concurrent delivery of a range of sites and accommodating pent up demand arising from weaker delivery over the previous period. Our modelling shows delivery of an average 1240 homes pa over this period;
- The latter part of the plan period, when delivery begins to tail off. Based on the current trajectory, housing provision over this period averages 870 dpa.

- 6.8 In determining the housing requirement, the Council should be mindful of the comments in Icenis’s 2020 Report, where we identified that the level of land with capacity over the plan period should be 10% or more above the Plan’s minimum housing requirement, to ensure some supply-side flexibility to account for potential site specific factors which can delay delivery. If this approach is adopted, a housing requirement over the plan period would be around 13,300 homes.
- 6.9 A phased trajectory on this basis might see delivery of 410 dpa to 2029, with the lower provision taking specific account of the heightened short-term delivery risks, rising to 1100 dpa between 2029-35, with lower provision in the latter part of the plan period of c. 850 dpa.
- 6.10 The Council will need to take into account, in determining precise figures, the applicable NPPF policies regarding buffers and modelling of its ability to sustain a 5 year land supply for the relevant periods; but should note that the buffer in a five year land supply calculation is intended to be brought forward from later in the plan period.
- 6.11 In providing some supply-side flexibility, we would note that the strategic sites do include some additional supply which may be delivered beyond 2040 (but could be delivered in the plan period if the market supports higher delivery rates). The Council should take account of site development potential rather than constraining delivery based on the specific trajectory herein, and site allocations can make reference to assumed capacity beyond the plan period.
- 6.12 Our analysis points to an appropriate geographical spread of development across different sub-market areas, with a higher level of growth envisaged in the north and centre of the District in areas where there is a greater concentration of and accessibility to employment opportunities and services, together with existing infrastructure; and which can therefore sustain higher absorption rates for new homes. Growth within this area includes growth both at Horsham and at Crawley.

Table 6.2 Assumed Supply by Sub-Area, 2023-40

	Dwellings	% District Total	Average Growth Rate
North	10,479	71.1%	1.3%
West	1,406	9.5%	1.0%
South	2,858	19.4%	0.9%
District Total	14,743	100%	1.2%

- 6.13 There are potential infrastructure and market capacity constraints which would limit the potential to bring forward significant additional development in the Billingshurst area without impacting on build rates for the sites identified, particularly around electricity supply. There are also some challenges to seeking to introduce and deliver additional supply in the southern part of the District owing to the quantum currently planned with a particular pinch point of 1.5% growth over the period 2028-36 period – an unprecedented level of growth in the sub-area.

-
- 6.14 In conclusion, it is evident that the Council's preferred strategy in the Regulation 19 Local Plan is deliverable from a market capacity perspective.
- 6.15 Our 2020 Study, in its concluding section, identifies a number of ways in which the delivery risks could be reduced. This included commentary around product differentiation to support delivery rates on strategic sites; the use of planning performance agreements with key site promoters; effective engagement with infrastructure providers and other statutory agencies; upfront infrastructure delivery; and use of modern methods of construction. It is encouraging to see a range of these being considered and taken forwards both by the Council and by strategic site promoters, which adds to the resilience of the trajectory set out.
- 6.16 The 2020 Study discussed product differentiation and the role which affordable housing (and government funding for it), and other market segments – including different forms of retirement housing, build-to-rent, and self- and custom-build development could have in supporting housing delivery rates. These continue to apply. Product diversity beyond the standard 'for sale' market will help to support housing delivery in periods of weaker market conditions.
- 6.17 In moving forwards, there are evident issues with water neutrality, which the Council has been working to address with partners. Continued effort and investment in this area in the short-term is likely to be critical to the timing and pace of recovery of housing delivery in the District. Beyond this, the adequate resourcing of the Council's planning service, including the team responsible for strategic sites, will be particularly important to supporting the lead-in times to completions on site assumed in this report.

A1. ALTERNATIVE SITES TRAJECTORIES

A1.1 The Horsham Housing Delivery Study Update has reviewed the Council's preferred strategy in the Regulation 19 Pre-Submission Local Plan. This appendix paper considers the deliverability of additional strategic sites including:

- Buck Barn;
- Adversane;
- Kingsfold;
- West of Billingshurst.

A1.2 Icenl has therefore developed four separate trajectories which considers these options at a District-wide level, as well as a sub-area level to consider the implications on the north sub-area (i.e. through the inclusion of Buck Barn or Kingsfold) and the west sub-area (i.e. including Adversane or West of Billingshurst).

Buck Barn Scenario

A1.3 First, introducing a new settlement at Buck Barn would see overall housing provision of 16,243 homes in the plan period equal to 955 homes per annum. This would exceed the local housing need of 911 homes per annum or 15,487 homes over the 17-year plan period of 2023-40 equating to a 5% supply-side buffer over the plan period.

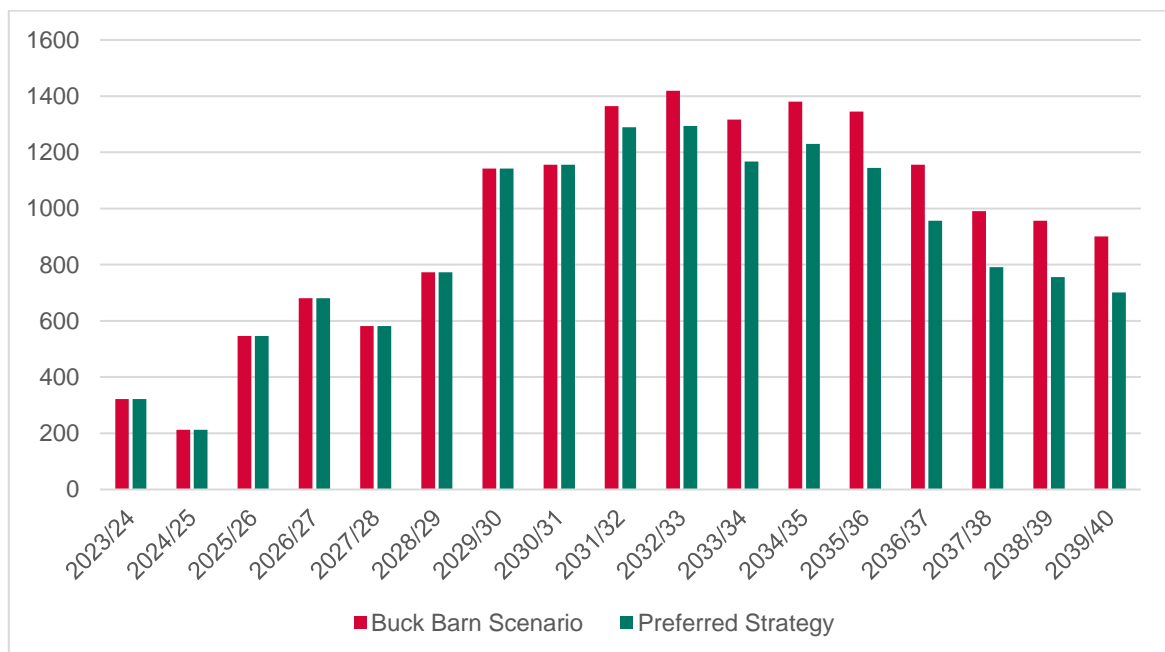
A1.4 Overall, at a District-wide level, the growth rate would be marginally higher than the preferred strategy at 1.3% per annum over the plan period compared with 1.2%. Over the period of higher growth 2029-37; the growth rate would increase to 1.7% per annum compared to 1.6% per annum growth. The inclusion of a new settlement at Buck Barn would see housing completions exceed 1,400 in 2032/33.

Figure A1.1: District Housing Trajectory by Sub-Area, Buck Barn Scenario



A1.5 In comparison to the Preferred Strategy, the trajectory would see a higher rate of growth over the period 2031/32 to the end of the plan period with average delivery of around 1,200 homes per annum from this point onwards at a District-wide level. The timescales adopted anticipates development at Buck Barn ramping up at the same time as delivery at West of Ifield.

Figure A1.2: Buck Barn Scenario vs Preferred Strategy Trajectory

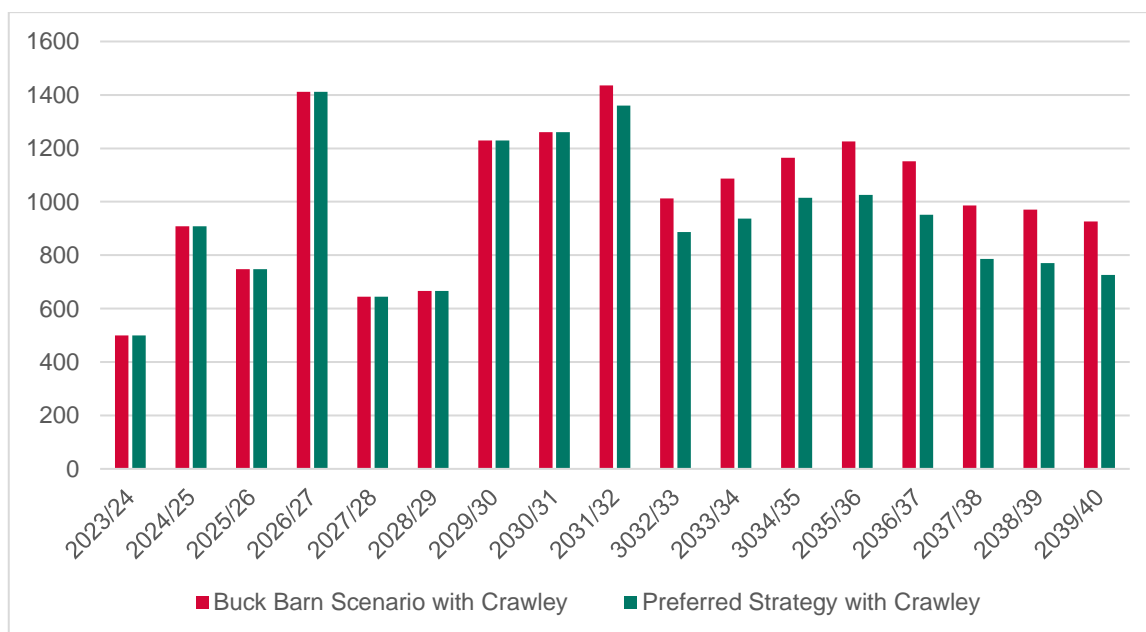


A1.6 The implications of this scenario at a sub-area level is housing delivery would increase from 616 homes per annum in the preferred strategy to 705 homes per annum in the north sub-area excluding Crawley Borough.

A1.7 The Buck Barn scenario results in the growth rate rising to 1.5% per annum from 1.3% per annum if the north sub-area excludes Crawley, which is a rate in line with what has been achieved in recent years through the build out of Horsham, Southwater and Kilnwood Vale.

A1.8 As set out in the main report, it is our view that consideration also needs to be given to the scale of development within Crawley Borough as well when considering this area of the District. Once Crawley is factored in, the plan period growth rate in the north-sub area would fall to 1.1% per annum (compared to 1.0% without Buck Barn). Over the period of higher growth where housing completions would exceed 1,200 homes (i.e. 2029-37), the growth rate would rise to 1.3% which IcenI considers to be achievable set against past trends. The Figure below shows how the trajectory differs for the north sub-area between the Buck Barn scenario and Preferred Strategy.

Figure A1.3: Buck Barn Scenario v Preferred Strategy: North Sub-Area w/ Crawley



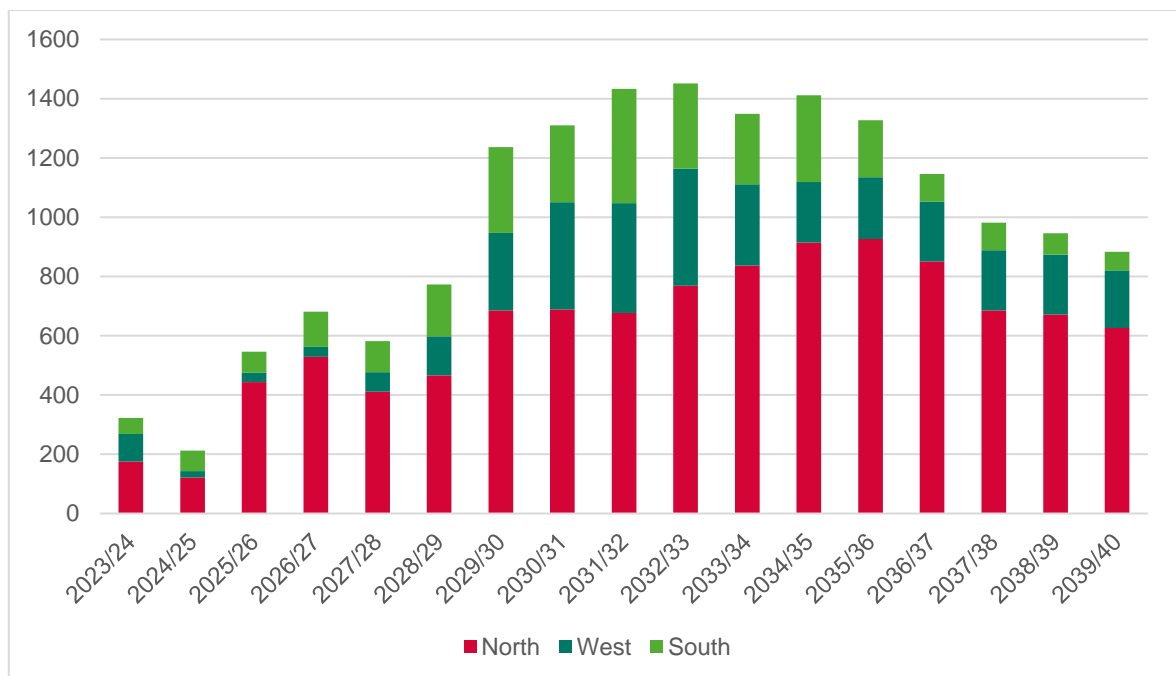
A1.9 In numbers of terms over the plan period, IcenI that there is sufficient evidence drawn from historic trends, analysis of growth rates and housing market dynamics to conclude that the level of growth inclusive of Buck Barn would be achievable from a market capacity perspective. However the Council and other statutory consultees, and potentially the Local Plan Examination, will need to consider the extent to which an off-grid water supply scheme, as proposed by the promoter, is feasible and can be delivered in a timely way to support additional strategic development at this location.

Adversane Scenario

A1.10 Introducing a new settlement at Adversane would see overall housing provision of 16,591 homes in the plan period equal to 976 homes per annum. This would exceed the local housing need of 911 homes per annum or 15,487 homes over the 17-year plan period of 2023-40 equating to a 7% supply-side buffer over the plan period.

A1.11 Overall, at a District-wide level, the growth rate would be marginally higher than the preferred strategy (i.e. 1.2% per annum growth) at 1.3% per annum over the plan period and the period of higher growth from 2029-37 seen by delivering the preferred strategy (i.e. 1.6% per annum growth) is also higher at 1.8% per annum. Housing delivery would exceed 1,400 homes per annum under the Adversane scenario in three of these years which is unprecedented but not considered unachievable.

Figure A1.4: District Housing Trajectory by Sub-Area, Adversane Scenario



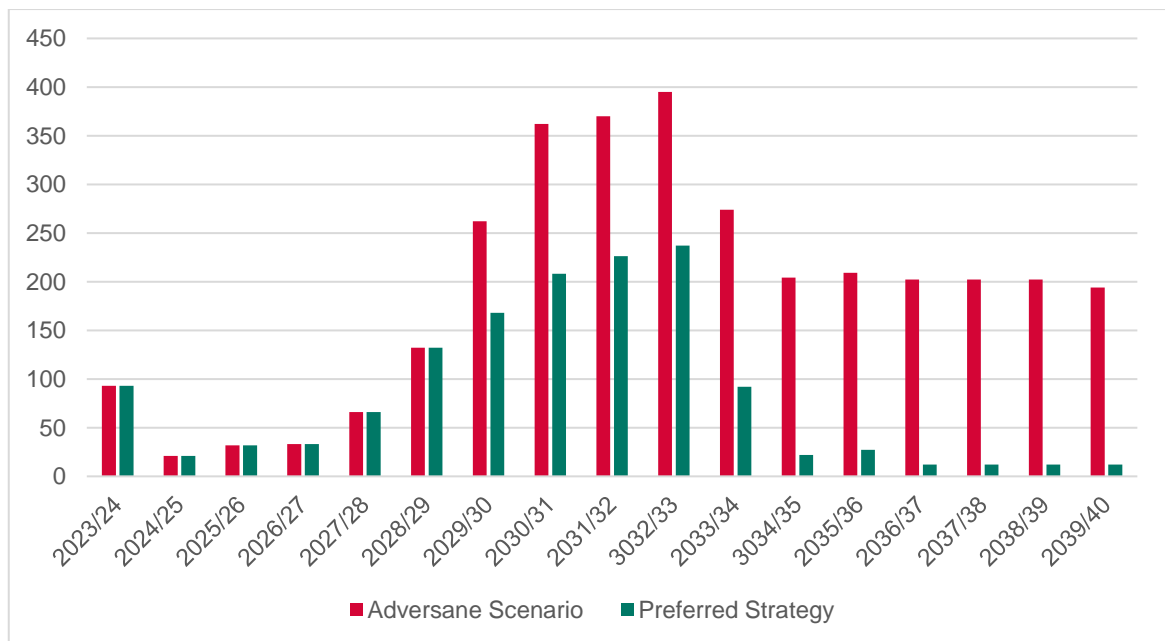
A1.12 There would be notably higher overall growth in the west sub-area compared with the Council’s preferred scenario. The proportion of all housing delivered would increase in the west sub-area from 10% to 20% with average housing delivery of 191 homes per annum. This compares with average housing completions of 126 homes per annum over the 2012-23 period.

A1.13 This level of housing delivery would see the growth rate move to 1.8% per annum in the west sub-area which is 0.3% per annum above what has been achieved in recent years through the build out of the Billingshurst strategic site commitments. There have been years where completions have exceeded 200 and 300 homes; however, average delivery of 250 homes would have to be sustained from 2028 to the end of the plan period with the East of Billingshurst site delivering alongside

Adversane’s higher numbers. This would be equal to a growth rate of 2.4% per annum which is above levels achieved in top performing areas of the country and is considered unrealistic.

A1.14 In addition, over the period 2029-34 when delivery would be particularly high with average delivery of around 335 homes per annum, this pinch point would equal a growth rate of 3.3% per annum which is not achievable. There are limited opportunities to smooth this trajectory in the early years of the plan period due to infrastructure constraints associated with bringing forward Adversane as well as the evident issues with water neutrality and time required to bring in SNOWS (or alternative solution as appropriate) to unlock development. The Figure below shows how the trajectory would differ for the west sub-area with the Adversane scenario.

Figure A1.5: Comparison of Adversane Scenario v Preferred Strategy, West Sub-Area



A1.15 Overall, although it is clear that there is market capacity to deliver the additional growth through bringing forward Adversane at a District-level, it is also clear that delivery would be unachievable at a sub-area level. In several years, housing delivery would exceed 300 homes per annum in the west sub-area which would therefore be more than double housing delivery achieved historically on average; although it is noted that delivery reached 313 homes in 2021. There is limited scope to amend the trajectory to address this with the issues associated with water neutrality in the early part of the plan period and the need to bring forward significant infrastructure to unlock development.

Kingsfold Scenario

A1.16 Introducing a new settlement at Adversane would see overall housing provision of 15,713 homes in the plan period equal to 924 homes per annum. This would exceed the local housing need of 911 homes per annum or 15,487 homes over the 17-year plan period of 2023-40 equating to a small 1.4% supply-side buffer over the plan period.

A1.17 Overall, at a District-wide level, the growth rate would be marginally higher than the preferred strategy (i.e. 1.2% per annum growth) at 1.3% per annum over the plan period and the period of higher growth from 2029-37 seen by delivering the preferred strategy (i.e. 1.6% per annum growth) is also higher at 1.7% per annum. Housing delivery would exceed 1,300 homes per annum in 2032/33 and 2034/35 and average out at 1,145 homes per annum from 2029 to the end of the plan period.

Figure A1.6: District Housing Trajectory by Sub-Area, Kingsfold Scenario

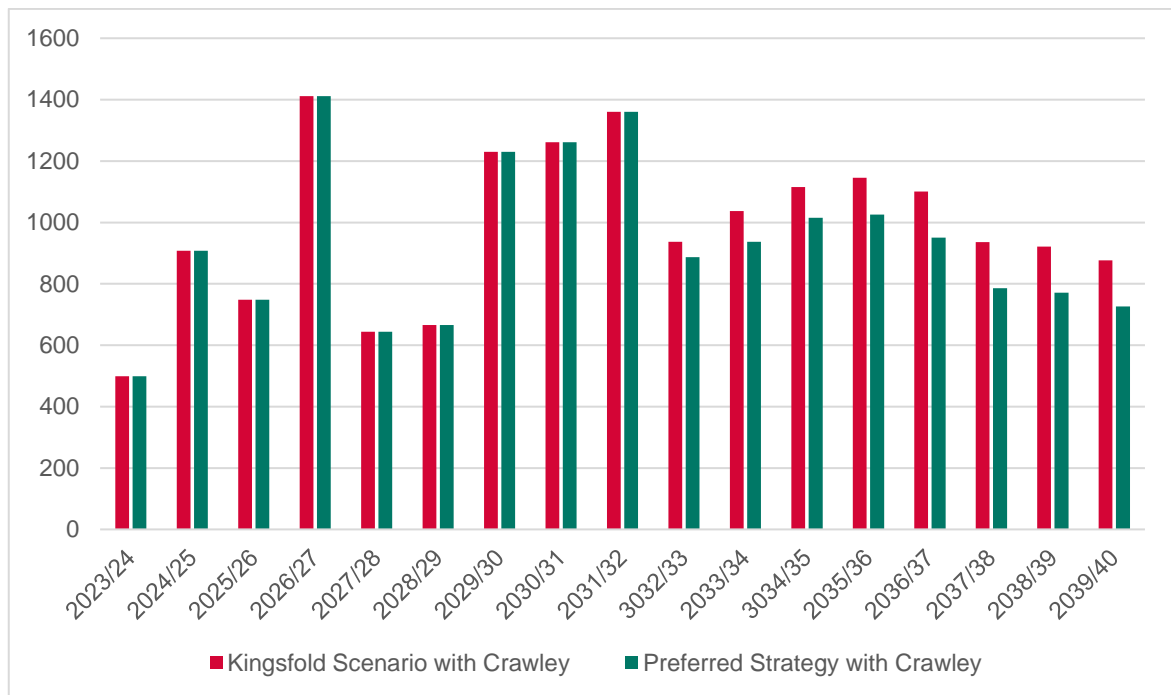


A1.18 There would be a greater proportion of overall growth in the north sub-area compared with the Council’s preferred scenario. The proportion of housing delivered in the north sub-area would increase from 71% to 73% with average housing delivery of 673 homes per annum. This compares with average housing completions of 567 homes per annum over the 2012-23 period.

A1.19 This level of development would see the growth rate move to 1.4% per annum if the north sub-area is viewed in isolation without Crawley Borough, which would be marginally below what has been achieved in recent years through the build out of Horsham, Southwater and Kilnwood Vale.

A1.20 Once Crawley is factored in, the plan period growth rate in the north-sub area would fall to 1.1% per annum (compared to 1.0% without Buck Barn). Over the period of higher growth where housing completions would average out at 1,150 homes (i.e. 2029-37), the growth rate would rise to 1.2% which IcenI considers to be clearly achievable set against past trends at a District and sub-area level. The Figure below shows how the trajectory differs for the north sub-area between the Kingsfold scenario and Preferred Strategy.

Figure A1.7: Comparison of Kingsfold Scenario v Preferred Strategy, North Sub-Area



A1.21 In numbers of terms over the plan period, IcenI considers that there is sufficient evidence drawn from historic trends, analysis of growth rates and housing market dynamics to conclude that the level of growth would be achievable. The long lead-in time attached to Kingsfold – owing to the significant level of infrastructure required to deliver the scheme – would mean that the completions come on stream as delivery begins to tail off towards the end of the plan period under the Preferred Strategy.

A1.22 There are however clear issues associated with the strategic site with solutions currently unclear around the delivery of the relief road, railway bridge and new train station and the associated viability implications of delivering this infrastructure. The developer is currently considering revised plans in order to improve the development viability. In addition, the site is also detached from the main economic drivers and even with the addition of a station, would still be served by a suburban railway service.

West of Billingshurst Scenario

A1.23 Finally, introducing additional development at West of Billingshurst would see overall housing provision of 15,743 homes the plan period equal to 926 homes per annum. This would exceed the local housing need of 911 homes per annum or 15,487 homes over the 17-year plan period of 2023-40 equating to a small 1.6% supply-side buffer over the plan period.

A1.24 Overall, at a District-wide level, the growth rate would be marginally higher than the preferred strategy (i.e. 1.2% per annum growth) at 1.3% per annum over the plan period and the period of higher growth from 2029-37 seen by delivering the preferred strategy (i.e. 1.6% per annum growth) is also higher

at 1.7% per annum. Housing delivery would peak at 1,414 homes in 2032/33 and average out at 1,143 homes per annum from 2029 to the end of the plan period.

Figure A1.8: District Housing Trajectory by Sub-Area, West of Billingshurst Scenario



A1.25 There would be a greater proportion of overall growth in the west sub-area compared with the Council’s preferred scenario. The proportion of housing delivered in the west sub-area would increase from 10% to 15% with average housing delivery of 142 homes per annum. This compares with average housing completions of 126 homes per annum over the 2012-23 period.

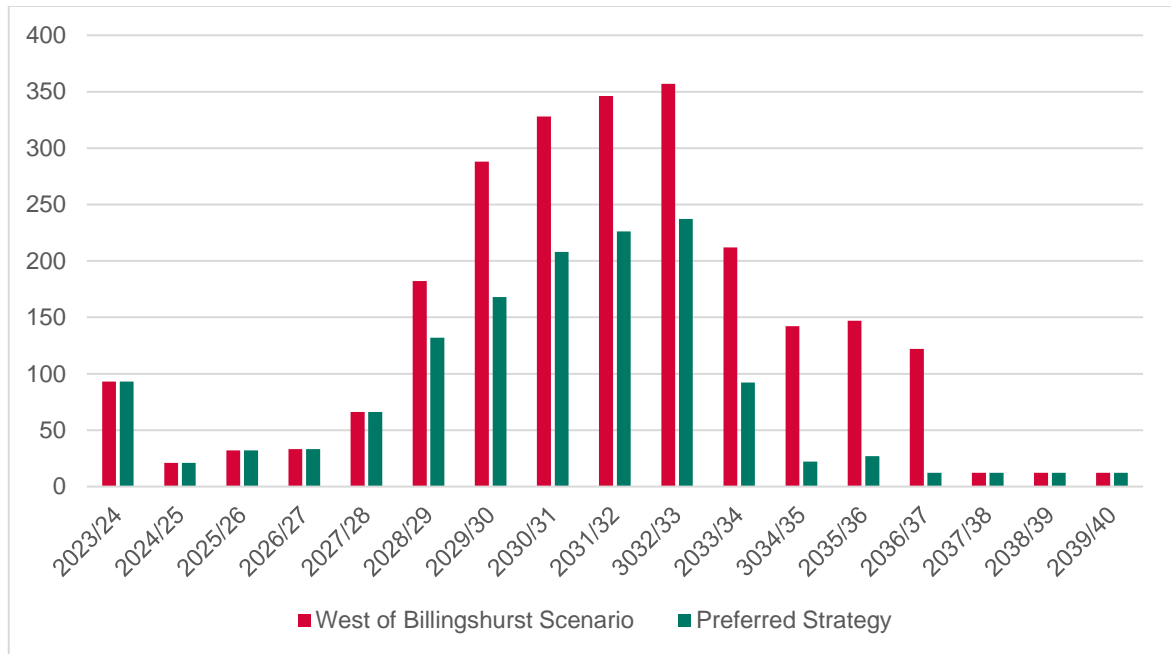
A1.26 This level of development would see the growth rate rise to 1.4% per annum in the west sub-area which would be more in line with what has been achieved in recent years at 1.5% per annum through the build out of development around Billingshurst.

A1.27 As noted under the Adversane scenario, there have been years where completions have exceeded 200 and 300 homes. Over the period 2028-36, completions would have to average out at 286 homes per annum as both the East of Billingshurst site and West of Billingshurst site begin to come on stream and deliver in greater numbers. This is equal to a growth rate of 2.9% per annum which is above levels achieved in top performing areas of the country and is considered unrealistic.

A1.28 However, as is clear from the Figure below, the trajectory in the west sub-area tails off towards the end of the plan period with the growth rate from 2028-40 equal to 1.8% per annum – a rate which is relatively ambitious for the sub-area but not considered to be unachievable. As a result, there is an opportunity for a smoothing of the trajectory to flatten out the pinch point of higher growth between

2029-33 in particular with lower levels of delivery on-site at East of Billingshurst and West of Billingshurst should both come forward at once.

Figure A1.9: Comparison of West of Billingshurst Scenario v Preferred Strategy, West Sub-Area



A1.29 In several years, housing delivery would exceed 300 homes per annum in the west sub-area which would therefore be more than double housing delivery achieved historically on average; although it is noted that delivery reached 313 homes in 2021. There is however scope to amend the trajectory to address this with West of Billingshurst coming on stream later in the plan period and increasing completions at a slower rate.