

Horsham District Local Plan 2023-2040 Examination

Our ref 61647/02/MS/HBe
Date 21 November 2024
From Lichfields obo Berkeley Strategic Land Limited

Subject Matter 8: Housing

This Hearing Statement has been submitted by Berkeley Strategic Land Limited ('Berkeley'); promoting the 'Land North West of Southwater' (HA3) 'Strategic Site' for around 1,000 homes.

Appendix 1 to Berkeley's Matter 1 statement sets out a Table of Modifications as proposed within Berkeley's submitted Hearing Statements (Matters 1 to 10).

1.0 Issue 1 – Whether the housing requirement is justified, effective, consistent with national policy and positively prepared?

Q1. Is Strategic Policy 37: Housing Provision sound? a) Is the requirement for 13,212 homes between 2023 and 2040, below the local housing need for the area as determined by the standard method justified? Is it clear how the figure has been calculated and should this be explained more clearly in the justification text?

- 1.1 No, the requirement is not justified insofar as it needs to be extended to 2041 in order to ensure that it covers a minimum 15 year period from adoption, as required by national policy (paragraph 22, NPPF Sep 2023). This will consequently lead to an increase in the overall housing requirement. Therefore, **Berkeley objects** to the plan on the basis that it would not be consistent with national policy, however notes that these are matters that can be dealt with via modifications.
- 1.2 The requirement itself is a capacity-based figure, with the sources and calculations set out in the supporting text (SD01 paras 10.21-10.27, plus further modifications proposed by the Council [HDC] in SD14¹). However, as noted in Berkeley's representations to the Reg 19 plan² Berkeley considers that the capacity-based figures included in the plan, including those for Berkeley's site Land North West of Southwater (LNWoS), have been underestimated by HDC in the plan (it is noted that the Council's evidence document on housing delivery Ho3 adopts higher delivery rates for LNWoS than were ultimately included in the plan). Berkeley considers that all 1,000 homes at LNWoS can be delivered within the extended plan period (i.e. by 2041); this and any other trajectory updates might necessitate

¹ HMO45, SD14

² Response ID 1198968

an increase to the housing requirement in in SP37. Matters relating to the housing trajectory are dealt with in further detail in our Statement on Matter 9 (Sites) and any consequential update to the overall plan requirement can be dealt with via modifications.

b) Would the adverse impacts of the Plan not providing for objectively assessed housing needs significantly and demonstrably outweigh the benefits of doing so when assessed against the policies in the NPPF taken as a whole? Is the overall housing requirement justified?

- 1.3 Berkeley notes that HDC has set out in the policy's supporting text (SD01 paragraph 10.4) what its standard method figure is (911 dwellings per annum). Policy SP37(6) goes on to quantify the amount of unmet need that would arise through the plan, as a result of the housing requirement not meeting needs in full. There is no assertion by HDC that the need figure (indicated by the standard method) is incorrect and/or that there are 'exceptional circumstances' (as per Paragraph 61 of NPPF Sep 2023) which justify an alternative approach to assessing the district's housing need.
- 1.4 HDC has concluded that the plan is unable to provide for objectively assessed needs for housing on the basis that the adverse impacts would significantly and demonstrably outweigh the benefits when assessed against the Framework as a whole (paragraph 11(b)(ii), NPPF September 2023). This is on the basis that HDC cannot meet its need due to Water Neutrality (WN) constraints, which limit the amount of development that can come forward. Based on the plan period in SD01 (to 2040) Policy SP37 identifies Horsham's unmet need to be 2,275 homes which will inform ongoing duty to co-operate discussions in the housing market area.
- 1.5 Berkeley has already stated (response to Q1a above) that it considers the gap between the housing requirement and housing need can be narrowed (and thus the amount of unmet need reduced) if the Council revises its trajectory for LNWoS. The gap could narrow further if other amendments were made to the trajectories of other sites.
- 1.6 Should the Inspector conclude that more housing (than currently envisaged by the Council) could be accommodated within the constraints posed by WN, this is a matter that could be dealt with through modifications to the plan.

c) With reference to evidence, are the stepped annual requirements justified (in principle and scale of the step)?

- 1.7 Yes, the stepped requirement is justified in principle, reflecting national guidance³. It is also justified in terms of the scale of the step, because:
- 1 The delivery of housing in the initial years of the plan period (2023/24 to 2027/28, at 480 dpa) will largely be a result of sites that have been granted permission recently, and the rate at which permissions have been granted in Horsham since 2021 has been significantly suppressed due to WN. This low anticipated rate of delivery (relative to overall need/requirement) is therefore reflective of actual likely build-out rates in Horsham in the near future; and

³ PPG 'Housing Supply and Delivery' Paragraph ID 68-021

- 2 As a solution to the Council's WN issues does not currently exist, the ability of the Council to significantly boost supply in the immediate future is limited (particularly from strategic sites which form a significant part of the housing supply). This is reflected in Figure 9 of the plan which shows that the Council does not anticipate delivery from the smaller site allocations until 2028/29 and from strategic sites until 2027/28.
- 3 It may be that from c.2030 a strategic solution – in respect of potable water supply in light of Southern Water's Water Resource Management Plan 2024 it is expected that from c.2030 – will be implemented, negating the need to demonstrate WN. Therefore, the step up in delivery and correspondingly the requirement (that would no longer be reflective of WN restriction) may be greater than currently shown.

1.8 The scale of the stepped requirement in the latter part of the plan period reflects the timings in which a solution to WN is likely to occur, and the subsequent timings at which sites gain permission and can begin delivering.

d) Is the approach to the shortfall (the Liverpool method) justified?

1.9 Yes. This approach is justified because, as set out in our response to Q1(c) above, the Council's ability to boost housing supply in the immediate future is limited. The Liverpool method should be applied as a reflection of the shorter term problems that WN presents.

Q2. Are main modifications needed to the Plan to clarify the latest position with regard to the Crawley Local Plan and unmet housing need in the housing market area?

1.10 Yes, modifications are required to clarify this position. Berkeley supports the Council's proposed modification (SD14 para 10.8⁴) which is a factual update to reflect the latest position on Crawley's unmet need as per the latest position in the Crawley Local Plan. This amendment changes the acknowledged unmet need in Crawley from 7,050 dwellings to 7,505 dwellings.

Q3. Is there any substantive evidence that the Plan should be accommodating unmet need from neighbours, and if so, would it be sound to do so? In any event, should any unmet needs from other relevant areas be clearly identified in the Plan?

1.11 This plan does not seek to meet Horsham's own housing needs due to capacity constraints posed by WN; SP37 clearly sets out that Horsham anticipates having its own unmet need of 2,275 dwellings (albeit in Berkeley's view this would be reduced if higher delivery rates were assumed on allocated sites, including for LNWoS).

1.12 There is substantive evidence that unmet need exists in Horsham's neighbouring authorities, which are identified in the plan:

⁴ HM045, SD14

- 1 Crawley (i.e. the North West Sussex Housing Market Area) - historically Horsham has accommodated unmet need from, as set out in paragraphs 10.6-10.13 of SD01. HDC's proposed modifications confirm this unmet need amounts to 7,505 dwellings. HDC has confirmed that whilst it previously was able to consider a contribution to meeting half of this need, it is no longer able to due to WN;
- 2 Sussex Coast Authorities - the plan identifies that unmet need has varied over time but amounts to c.2,000 dpa, of which 655 dpa arises from Worthing, as set out in paragraphs 10.14-10.16 of SD01. HDC states (10.16) that whilst it previously considered a contribution of 20 dpa for Worthing, it is no longer able to due to WN (also noting the district does not 'directly adjoin' the south coast towns at 10.15); and
- 3 Surrey – although the plan acknowledges that it borders two of these authorities, HDC considers that as they are not within its housing market area and given the scale of unmet need that already exists within Crawley and the South Coast, it is “not possible” to accommodate these needs. HDC states that this will be revisited as part of any future local plan review.

1.13 The NPPF requires authorities to provide for housing needs, including those that cannot be met in *neighbouring* areas (our emphasis) in paragraph 11(b) and therefore the Council should not rule out the needs of neighbouring areas on that basis that they are not within its housing market area (in particular, Worthing, Chichester [which is currently not mentioned in the plan], Mole Valley and Adur). These should be acknowledged within the plan.

1.14 If housing supply is increased in the plan for any reason (e.g. the Council is able to find a solution to WN, and/or the Inspector disagrees that WN presents a cap on development, and/or if reserve sites are allocated that can be released later in the plan period) then it would be appropriate (once HDC has met its own needs, plus a buffer for flexibility) to make a specific contribution to unmet needs. Given the severity of unmet need in this sub-region (and given that unmet need from the South Coast and from the Surrey authorities has existed for years without a meaningful solution), HDC should seek to meet as much unmet need as possible, subject to para 11(b) of the Framework. This could alternatively be addressed via an early review trigger to reconsider allocating more housing to meet unmet needs once a solution to WN is established.

Q4. Should Strategic Policy 37: Housing Provision also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development in line with paragraph 66 of the NPPF?

1.15 Yes, it should, as required by national policy (paragraph 66, NPPF 2023) which states that strategic policies should set housing requirements for designated areas. At present, the policy simply states the overall total and does not specify which designated neighbourhood areas the requirement relates to, which is contrary to national policy. Therefore, **Berkeley objects** to this policy and considers that a modification is needed in order for the plan to be sound.

2.0 Issue 2 – Whether the overall housing land supply and site selection process is justified, effective, consistent with national policy and positively prepared?

Q1. Were the proposed housing allocations selected on the basis of an understanding of what land is suitable, available and achievable for housing in the plan area using an appropriate and proportionate methodology, and are there clear reasons why other land which has not been allocated has been discounted?

2.1 Yes. These reasons are set out in the Council’s SHELAA (H13), Site Assessment Report (H11), and Delivery Studies (H02 and H03).

Q2. The NPPF at paragraph 74 states strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period? Is this achieved by Figure 6 of the Plan?

2.2 Yes, this is achieved in Figure 6 however further clarity may be gained from including (e.g. appending) the trajectory to the plan (the Council’s current trajectory already exists in document HDCo3) which would be in line with national policy (paragraph 68, NPPF Sep 2023). This could be achieved via modification to the plan.

Q3. The Plan does not appear to provide land to accommodate at least 10% of the housing requirement on sites no larger than one hectare as required paragraph 69 a) of the NPPF, why?

2.3 This is considered a question for the Council.

Q4. Criterion 5 of the Strategic Policy 37: Housing Provision states 1,680 dwellings are anticipated to be delivered over the plan period from windfall sites? What is the compelling evidence this will be a reliable source of supply? Is this windfall allowance realistic and justified?

2.4 Yes. The Council has prepared evidence of windfall delivery (H09) which shows that the plan’s estimate of windfall delivery is conservative in the context of past windfall delivery trends. It is therefore realistic and justified.

Q5. What is the housing requirement for the first five years following the adoption of the Plan and what buffer should be applied? Would the Plan realistically provide for a five year supply of deliverable sites on adoption? Is a five year supply likely to be maintained thereafter?

2.5 The requirement for the first five years is set out in SP37, and in accordance with national policy a 5% buffer should be applied (paragraph 74a, NPPF Sep 2023). However, for the reasons set out in the paragraph 5.9 of the Housing Supply Topic Paper (HDCo3) the Council has applied a 20% buffer. Under either scenario, **yes**, the Council is able to demonstrate a five year land supply upon adoption for the first five years of the plan. **Yes**, the trajectory shows that a five year land supply is likely to be maintained thereafter

throughout years 1 to 5 (and beyond). In any event, we note that the plan is likely to be subject to an early review (see response to Matter 1).

Q6. What is the estimated total supply of developable sites, from each source of supply, for years 6-10 and 11-15? What is the evidence to support this and are the estimates justified?

- 2.6 These estimates are set out in Appendix 1 of HDCo3 which sets out the Council’s detailed trajectory over the plan period. Yes, these estimates are justified, as supported by Council’s SHELAA (H13), Site Assessment Report (H11), Delivery Studies (H02 and H03) and Housing Supply Topic Paper (HDCo2).

Q7. Is the Council’s approach to self-build and custom-built housing consistent with national policy? Is it clear how much of this type of housing will contribute to the overall housing land supply? Where is this addressed in the evidence?

- 2.7 Yes, the approach is consistent with national policy (paragraph 62, NPPF Sep 2024). The needs of self-build and custom-build housing is assessed in the SHMA (H01 paragraph 12.41-12.51) which notes that the registered interest is “*relatively low*”⁵ with 38 entries on the register as of 2019 (of which 30 live in the district). H01 recommends maintaining flexibility in policies for self-build provision, and therefore the approach in HA1(6), insofar as it relates to self-build, is justified.

3.0 Issue 3 – Whether the other housing policies are justified, effective, consistent with national policy and positively prepared?

Q1. Is Strategic Policy 38: Meeting Local Housing Needs sound? Is it consistent with the relevant evidence, particularly the Strategic Housing Market Assessment?

- 3.1 In representations to the Reg 19 plan² Berkeley stated that it supported the principle of this policy, but suggested amendments to the policy itself (to clarify that evidence can be prepared by any relevant party, not just parishes) and the supporting text (to confirm that the mix should not be prescriptively applied to each site). The Council has not proposed these changes in SD14, and Berkeley continues to assert that such changes are needed.

Q2. Is Strategic Policy 39: Affordable Housing sound? a) Is it consistent with the relevant evidence, particularly the Strategic Housing Market Assessment? b) Is the approach to First Homes consistent with national policy? c) Is criterion 5 effective? d) Would the needs identified be met?

- a Yes, the policy is consistent with the SHMA (H01) which identifies a need for 503 affordable homes per year in Horsham which is “*significant and justifies planning policies seeking to maximise affordable housing... subject to viability*” (H01 p.90).

⁵ SHMA (H01) para 12.51)

The policy is also consistent with the plan's viability assessment (H12) which assesses the typologies in SP39 and the strategic sites specifically;

- b Yes, the approach to First Homes is consistent with national policy⁶ and associated guidance. Policy and guidance allows for local authorities to set greater discounts (than 30%) and apply eligibility criteria (e.g. a local connection)⁷;
- c Yes, criterion 5 is effective and in line with national policy (paragraph 63, NPPF Sep 2023); and
- d The full need for affordable housing would not be met (as it represents 65% of the overall requirement⁸), however the range of tenures needed (including affordable rent and intermediate) would be addressed as far as possible given viability constraints.

Q3. Is Policy 40: Improving Housing Standards in the District sound? a) Having regard to the PPG1 what is the requirement for accessible and adaptable housing in the District and how would the Council's approach meet it or not? b) In line with the PPG2, what is the evidence which establishes the need for internal space standards in the District?

- 3.2 Yes, this is sound. The Council's housing need evidence (SHMA, HO1 p.134) identifies that wheelchair housing need amounts to 4% of all housing need in Horsham, but notes that there is variation between the needs of affordable renters and owner-occupiers (HO1 para 10.48) and that PPG states local plan policies for wheelchair accessible homes should only apply to dwellings where the local authority is responsible for allocating/nominating the person living in that dwelling⁹. The requirement for all housing to meet M4(2) standards will ensure market homes can be adapted by users if needed, and contribute to meeting the broader needs of the ageing and disabled population.

Q4 – Q8.

- 3.3 No comment.

⁶ Including the Written Ministerial Statement on First Homes, June 2021

⁷ See PPG 'First Homes' ID: 70-001 and 70-008

⁸ HO1 identifies a total need of 503 affordable homes per year, compared with an annualised target of 777 per year in the plan

⁹ PPG 'Housing Optional Technical Standards' ID: 56-009

4.0 Whether the Plan is positively prepared, justified, effective and consistent with national policy in planning to meet gypsy and traveller accommodation needs?

Q1. Have the accommodation needs of gypsies, travellers and travelling showpeople been robustly assessed? In the light of the Court of Appeal judgement in Smith v SSLUHC & Ors [2022] EWCA Civ 1391, does the need for gypsy and traveller accommodation need to be revised? Does this have implications for the provision of pitches in the Plan?

4.1 No specific comment, other than Berkeley notes the need to and supports the provision of 5 pitches at 'Land North West of Southwater' (as identified in policy HA3).

Q2 – Q5.

4.2 No comment.

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