

Horsham Local Plan 2023-2040 Examination

Matter 8: Housing

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

Q.1: 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. No, it is not justified.
2. The Sustainability Appraisal Update¹ (“the SA”) that supports the Plan undertakes a review of growth quantum options, with this review summarised at Table 1. Figure 4.1 identifies that the quantum options assessed are as follows:
 - Quantum Option 1: Lower growth – 1,000 dwellings per annum (“dpa”) (16,045 total and 35.3 hectares (“ha”) of employment land
 - Quantum Option 2: Medium growth – 1,200 dpa (20,400 total) and 43.4ha of employment land
 - Quantum Option 3: Higher growth – 1,400 dpa (23,800 total) and 50.7ha of employment land
 - Quantum Option 4: Near maximum growth – 1,600 dpa (27,200 total); and
 - Quantum Option 5: Maximum growth – 1,800 dpa (30,600 total)
3. From the above, it is clear that no growth options of less than 1,000 dpa were assessed by the SA process.
4. Section 6 of the SA considers water neutrality. Paragraph 6.16 states:

*“The issues of water efficiency and scale of development are interlinked because the more water efficient new developments are (through local plan policies), the less offsetting will be required, meaning more development can be permitted with the available offsetting capacity. However, the potential for both water efficiency and offsetting are finite, which may constrain the amount of development possible in an area. **Some site promoters are proposing their own bespoke schemes** which eliminate the need for mains water supply, for example utilising on-site boreholes and water treatment centres, **which creates some uncertainty over the demand for offsetting that will be required overall in the District.**”*

(Emphasis added)
5. On this basis, it is evident that the Plan is not based on robust evidence in relation to the potential mitigation capacity with respect to water neutrality.
6. Table 6.7 of the SA subsequently identifies a total capacity of 17,186 dwellings within the Sussex North Water Resource Zone², which is based on Southern Water’s Water Resource Management Plan.

¹ Document ref. SD03a

² Which includes all of Horsham District, most of Crawley Borough and parts of Chichester District, Mid Sussex District and the South Downs National Park Authority

7. Paragraph 6.46 and 6.47 of the SA indicate that there is market capacity to support 867 dwellings per annum and higher numbers in the mid-stage of the Plan period but that, realistically, the amount of housing that can be supported over the Plan period is 13,212 homes, equating to an average of 777 dwellings per annum.
8. There is no assessment of reasonable alternatives with respect to the housing requirement adopted by the Plan, nor is there an assessment of the figure itself against the SA objectives.
9. Accordingly, there is no clarity regarding how the Plan has arrived at the housing requirement of 13,212 dwellings. On this basis, it cannot be concluded that the Plan has adopted an appropriate strategy based on reasonable alternatives.

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?

10. No.
11. The Plan falls significantly short – 2,275 dwellings – of meeting its Local Housing Need, which is a minimum requirement as expressed by paragraph 61³ of the Framework. As outlined in response to the previous question, there is no assessment of the implications of delivering the Plan’s housing requirement as each of the options subject to SA assessment were for a much greater level of housing delivery.
12. Paragraph 8b of the Framework identifies that delivering a sufficient number of homes to meet the needs of current and future generations as a necessary requirement to meet the social objective of sustainable development. Paragraph 60 subsequently outlines the Government’s objective of ‘significantly’ boosting the supply of homes.
13. Furthermore, housing affordability in Horsham District has worsened by 23% over the ten-year period 2013-2023⁴. National Planning Practice Guidance is clear that the minimum Local Housing Need is the level required to ‘start’ addressing the affordability of homes⁵. Therefore, the Plan’s failure to delivering the minimum Local Housing Need means that housing affordability will continue to worsen in Horsham District over the Plan period.
14. It is also notable that the new standard method, which formed part of the consultation held by the Government on the proposed reforms to the National Planning Policy Framework and other changes to the planning system between July and September 2024 would result in an increase in the minimum Local Housing Need for Horsham District to 1,294 dwellings per annum (i.e. 41.1% increase). This is a substantial increase.
15. The failure of the Plan to meet the current minimum Local Housing Need for Horsham District means that there will be an even more substantial shortfall against the ‘actual’ housing need during the initial years of the Plan period before a review of the Plan is undertaken. This exacerbates the shortfall that would need to be addressed through a review of the Plan and, accordingly, is a material consideration of particular note.
16. In summary, the benefits of delivering the minimum Local Housing Need for Horsham District should be given substantial weight. To satisfy the provisions of paragraph 11b of the Framework, the evidence should demonstrate that the adverse impacts of doing so would ‘significantly and demonstrably’ outweigh these benefits.

³ Framework paragraphs referred to are from version published in September 2023 which Local Plan is being examined against

⁴ ONS Ratio of House Price to Workplace Based Earnings (March 2024)

⁵ Paragraph ref. ID: 2a-006-20190220

17. The water neutrality issue is the reason that the Plan is not seeking to meet its minimum Local Housing Need requirement. However, as identified within our Matter 2 and Matter 3 Statements, the Council has not robustly explored further mitigation options to deliver a greater quantum of housing than the 13,212 being planned for. On this basis, it cannot be concluded that the adverse impacts associated with delivering the minimum Local Housing Need would ‘significantly and demonstrably’ outweigh the benefits of doing so.
18. Accordingly, the housing requirement is not justified and is not sound in accordance with paragraphs 35b and 35d of the Framework.

Q.2: 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?

19. Yes.
20. Paragraph 10.7 of the Plan identifies that Crawley Borough will not be able to meet “a significant portion” of its identified housing need due to it being constrained by built-up areas up to its administrative boundaries. Paragraph 10.11 subsequently identifies that, without water neutrality constraints, the Plan could accommodate around 50% of the unmet needs arising from Crawley Borough, and paragraph 10.12 confirms that it is currently unable to accommodate any unmet needs as a consequence of the water neutrality matters.
21. As outlined within our Matter 2 Statement, the Plan does not facilitate the delivery of development that can provide its own water neutrality mitigation in accordance with Policy 9 of the Plan, where this would exceed the suppressed housing requirement proposed. There are examples, including sites being promoted by Croudace, that can provide their own mitigation and could help Horsham District meet its minimum Local Housing Need.
22. If sufficient mitigation is secured, there would be the ability to accommodate unmet needs from Crawley Borough. However, the Plan (notably Strategic Policy 3) does not facilitate the delivery of housing in excess of the suppressed housing requirement, including any unmet needs. This conflicts with paragraphs 35a of the Framework.

Q.3: 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?

23. Yes.
24. As outlined at paragraphs 4.37 and 4.38 of the Regulation 19 representations (representor ref. 1211284), Horsham District is relatively unconstrained, water neutrality issues aside, and has a strong functional relationship with Crawley Borough and the settlements on the south coast that are limited with respect to opportunities to deliver housing due to land availability.
25. As discussed in our Matter 1 Statement, the Duty to Cooperate discussions and notably the Statement of Common Ground with Brighton and Hove City Council⁶ and Arun District Council⁷ indicates that neighbouring authorities consider it appropriate for Horsham District to accommodate the unmet housing needs from the adjacent Coastal West Sussex and Brighton and East Sussex Housing Market Areas.

⁶ Document ref. DC07

⁷ Document ref. DC16

26. In accordance with points outlined principally in our Matter 2 Statement, as summarised in response to Question 2 under this Issue of this Matter, the Plan does not facilitate delivering a housing requirement in excess of its suppressed housing requirement even if mitigation with respect to water neutrality is identified.

Q.4: 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?

27. Yes.

28. Paragraph 66 of the Framework states:

“Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.

29. Strategic Policy 37 does not outline housing requirements for designated neighbourhood areas, so is inconsistent with paragraph 67 of the Framework and not sound in-line with paragraph 35d of the Framework.

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

Q.1: 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?

30. No.

31. At the outset, it is important to note that the Plan is underpinned by the water neutrality matter and an understanding of the mitigation that would be available from the Sussex North Offsetting Water Scheme (“SNOWS”). Consideration has not been afforded to the potential of securing other forms of mitigation with respect to water neutrality that could unlock further levels of development. This has impacted the site selection process.

32. This is made clear at paragraphs 4.9 and 4.19 of the Plan.

33. Notwithstanding this, the Site Assessment Report that forms part of the Plan’s evidence base⁸ identifies sites with potential for allocation for housing development (Part C) and sites not identified for potential allocation for housing development (Part D).

34. The Introduction to the Site Assessment Report (Part A) outlines the process and sets out a methodology at Section 2. Paragraph 2.15 within this section identifies the following criteria of rating the sites that were concluded to be available:

- Very Positive Impacts

⁸ Document ref. H11

- Favourable Impacts
- Neutral Impacts
- Unfavourable Impacts (where there is potential for mitigation)
- Very Negative Impacts (impacts unlikely / unable to be mitigated)
- Impact unknown / no information

35. However, there is no assessment criteria to indicate how the ratings should be applied. On this basis, it cannot be concluded that the evidence base informing the Plan is justified, and thus whether the Plan can be concluded to be sound.
36. It also appears as though the Council has used the water neutrality constraint to limit the number of sites that are allocated. As an example of this, Land north of Furners Lane (site ref. SA005) is identified within Part D of the Report, so is a rejected site. However, the assessment of the site concludes that any unfavourable impacts could be mitigated. Comments are made with respect to the potential scale of development arising from a development of the site, but no consideration is afforded to whether part of the site could be allocated in light of the substantial shortfall in housing supply against the minimum Local Housing Need for Horsham District.
37. As identified within our Matter 2 Statement, the level of housing proposed at Henfield across the Plan period is not proportionate having regard to its position in the settlement hierarchy and its sustainability, with no dwellings planned to be delivered at the settlement in the final nine years of the Plan period. However, no regard is had to this within the site selection process. Indeed, as also identified in our Matter 2 Statement, the 2021 Census demonstrates that 4.27% of the total number of homes within Horsham District are within Henfield; therefore, on the basis of the Plan's housing requirement of 13,212 dwellings (notwithstanding separate points regarding the soundness of this figure), a proportionate housing supply for Henfield would be 564 dwellings. The level of housing proposed to be delivered at the settlement falls significantly short of this even if the Neighbourhood Plan allocations are factored in (noting that these only cover, at most, 6-years of the Plan period).
38. Similarly, Land west of Bines Road (site ref. SA891) is also discounted despite not being considered to have any unfavourable impacts that cannot be mitigated. Again, the assessment refers to the level of growth at the settlement, but this is not considered in the context of meeting the minimum Local Housing Need in full.
39. In summary, the site selection process has been heavily influenced by a pre-meditated decision not to meet the minimum Local Housing Need in light of the Water Neutrality constraint (irrespective of the potential to deliver mitigation separate to SNOWS). This is evidenced by the examples outlined of sites being discounted where mitigation is available based on the scale of development. There is also no methodology to inform the ratings given to each site, so it is not possible to scrutinise whether the evidence is justified.

Q.2: 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?

40. No.
41. Figure 6 does not identify the sites subject to the sources of supply. As such, it is not possible to robustly scrutinise this.
42. However, we note that a Housing Trajectory has been prepared and submitted as a post-submission document⁹. This indicates that the Plan is reliant on delivery from significant strategic allocations – notably Land west of Ifield – from 2030/31. This is discussed further in our Matter 9 Statement.

⁹ Appendix 1 of document HDC03

Q.4. 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?

43. No.
44. Paragraph 71 of the Framework is clear that there must be compelling evidence to demonstrate that windfall developments provide a reliable source of supply having regard to the strategic housing land availability, historic delivery rates and future trends.
45. Table 2 of the Horsham District Council Windfall Paper¹⁰ identifies the historical windfall deliveries within Horsham District. This relies on small and large scale sites to achieve an average of 158 dwellings per annum over the period 2012/13-2022/23. Paragraph 9.2 of the Windfall Paper consequently concludes that a rate of 120 units per annum is achievable. This conclusion fails to have regard to the land availability and future trends.
46. Notably, Strategic Policy 3 of the Plan prevents the expansion of settlements unless the land is allocated – hence, would not comprise windfall development. Therefore, the Plan does not appear to facilitate the delivery of large-scale windfall development, meaning that a rate of only 98 dwellings per annum is achievable in accordance with Table 2 of the Windfall Paper, based solely on historic rates.
47. Accordingly, the windfall allowance is not justified in accordance with paragraph 71 of the Framework.

Q.5. 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?

48. The Housing Trajectory¹¹ demonstrates a supply as follows for the period 2028/29-2030/31 of the Plan period against the stepped requirement of 901 dwellings per annum as outlined by Strategic Policy 37:
- 2028/29 – 721 dwellings
 - 2029/30 – 640 dwellings
 - 2030/31 - 838 dwellings
49. Accordingly, the Council cannot demonstrate the requisite housing land supply for the first five years following the adoption of the Plan against its own stepped trajectory.
50. Notwithstanding the above and the suppression of the housing requirement within the Plan, it is clearly apparent that Horsham District Council will not be able to demonstrate a five-year housing land supply once the Plan is five years old and the housing land supply requirement is determined by the Local Housing Need derived by the standard method¹².

¹⁰ Document ref. H09

¹¹ Appendix 1 of document HDC03

¹² As specified by Planning Practice Guidance – paragraph ref. ID: 68-005-20180722

51. As such, if the Plan was to be found sound (notwithstanding the issues identified across our Hearing Statements), it will require an immediate review for the Council to maintain the requisite housing land supply.



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