



Hearing Statement – Matter 8: Housing

Horsham District Council – Examination in Public

Prepared on behalf of Miller Homes Ltd

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Appendix A Campsfield, Southwater - Location Plan

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1.0 Introduction

- 1.1 This statement has been prepared by SLR Consulting Ltd on behalf of Miller Homes Ltd in respect of the Horsham District Council Local Plan (2023 – 2040) Examination in Public. The Statement focuses on questions raised by the Inspector in their MIQs in relation to Matter 8: Housing.



2.0 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?**

- 2.1 No; the requirement of only 13,212 homes for the plan period, 2,377 homes below the Standard Method (SM) derived figure, is not justified, nor is it clear how this figure has been arrived at.
- 2.2 As set out in the Reg 19 response, the only justification given by HDC for the reduced number is essentially the Water Neutrality issue.¹
- 2.3 Firstly, the water neutrality issue is considered an issue that should be dealt with not by the development industry but the Water Industry via their separate statutory requirements to plan for and provide sufficient potable water in a way that still complies with the Habitat Regulations.
- 2.4 Notwithstanding whether water neutrality is itself an issue that alone can justify a lower housing requirement, HDC has offered no credible explanation as to how it has arrived at the precise figure of 13,212 homes (equivalent to 777dpa on average). Given water neutrality is the only reason given by HDC for pursuing a lower than SM housing requirement, it is assumed it derives from an assessment of those sites that have an evidenced water neutrality solution. However, the Strategic Site assessments indicate that the three new proposed strategic allocations do not have a secured water neutrality solution, nor is the capacity of SNOWS yet known to understand if it can facilitate development. On the other hand, sites, are coming forward with acceptable water neutrality solutions, for example using water offsetting or on-site water extraction.
- 2.5 HDC are not alien to permitting housing sites which can demonstrate they are ‘water neutral’ as demonstrated by the application of their Facilitating Appropriate Development (FAD) document which acknowledges the need for a water neutrality solution and guides proposals, in the absence of the Council currently being able to demonstrate current housing requirements, to locations HDC considers to be appropriate.
- 2.6 Furthermore, the Secretary of State (SoS) has recently allowed an appeal which considered the plethora of options coming forward, and this reaffirmed that there is

¹ See section 4 of the reg. 19 response and para. 10.12 of the HDC reg.19 Plan



- sufficient certainty, given the range of solutions on offer to developers, to apply a Grampian Condition.²
- 2.7 Consequently, there is sufficient certainty for sites to be permitted irrespective of the water neutrality issue and thus HDC should be planning for the allocation of further sites in compliance with paragraph 11b of the NPPF which requires as a minimum that authorities meet their Objectively Assessed Housing Need (OAHN).
- 2.8 If HDC feels unable to allocate additional sites; an alternative approach, as advocated in our regulation 19 approach, is to adopt a policy that allows development that meets certain sustainability and water neutrality criteria, like those contained within the FAD, to come forward to assist in meeting housing needs.
- 2.9 The housing requirement figure is therefore not justified, not in compliance with NPPF paragraph 11b, and is unsound.
- 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?**
- 2.10 HDC not meeting their OAHN will result in considerable harms that would significantly outweigh the benefits when assessed against the policies of the NPPF.
- 2.11 As set out below at paragraph 2.26 there is a projected significant deficit in housing supply across the region with most authorities, more physically constrained than Horsham District, declaring they cannot meet their needs.
- 2.12 As set out in paragraphs 2.5 – 2.14 of the Reg. 19 response and the accompanying Affordable Housing Statement, there is a significant shortfall in affordable housing delivery such that by 2038-39 there will be a likely deficit of at least -5,148 dwellings against a need for 10,060 – equivalent to HDC only meeting 51% of the affordable housing needs.
- 2.13 HDC has also become increasingly unaffordable, with the ratio of median house prices to median incomes for the district sitting at 13.18 – significantly above both the national medium of 8.28 and Southeast median of 10.75.
- 2.14 The lack of affordable housing delivery coupled with the much higher than average house price to earnings ratio has significant real world and well documented economic and social impacts.
- 2.15 There are clear economic consequences to not planning for sufficient homes, with businesses reporting the cost of housing being a key impediment to the ability to recruit and retain staff. High housing costs result from constrained supply also reduce the residual consumer spend available.
- 2.16 HDC tacitly appears to acknowledge that the provision of an amount of housing less than the SM derived figure reduces the positive impact of the plan against the SA Objective 1,³ by giving the plan a ‘minor positive effective’ rather than a ‘significant

² Appeal ref APP/Z3825/W/23/3333968 – paragraphs 10.92 - 10.112

³ SA Objective 1: To provide affordable, sustainable and decent housing to meet local needs



- positive effect'.⁴ This however significantly underplays the significant negative impact on social and economic objectives of not providing sufficient housing to meet their OAHN. This negative impact is not fully reflected in the SA.
- 2.17 The latest SA update also falsely suggests that Strategic Policy 37 requires the OAHN to be met, mitigating or enhancing positive impacts.⁵ This implies that HDC has not truly recognised and considered the significant adverse effects of not planning for the housing the district needs.
- 2.18 For the reasons summarised above and set out previously in the Reg. 19 response and supporting documents, the negatives of not meeting the OAHN will therefore significantly outweigh the 'positives', as far as they may exist.

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

- 2.19 No; The Local Plan references the reliance on strategic scale sites as being a reason for a significant early years reduction in housing delivery of only 480 dpa.⁶ The Horsham Housing Trajectory Paper⁷ adds to this the Water Neutrality issue, but also identifies that the SNOWs scheme was due to become operational in autumn 2024, albeit it is understood this has been delayed.
- 2.20 As set out above, we do not consider the water neutrality issue to be a sufficient reason to reduce the housing requirement and for the same reasons it is not sufficient reason to reduce the housing requirement to more than half the SM derived annual requirement.
- 2.21 Instead of artificially deflating the housing requirement, HDC should be taking a more permissive approach to allocating sites, including smaller sites, many of which can demonstrate a water neutrality solution. There is hence no clear justification for a stepped trajectory.

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

- 2.22 No; the shortfall arising from the poor level of completions in 2023-2025 should be addressed as soon as possible. National policy and guidance is clear that shortfalls in previous years should be added to the plan requirement for the next 5 years period (the Sedgefield approach). The acute housing affordability crisis in the area and significant unmet housing needs heighten the importance of addressing shortfalls as soon as possible.
- 2.23 The Council has presented no convincing evidence as to why the Liverpool Method should be preferred over the Sedgefield method as indicated by the PPG.

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?

- 2.24 Yes; now that the Crawley Local Plan has been adopted and Strategic Policy H1, confirms a unmet need of 7,505 for the plan period up to 2040, this should also be

⁴ SD03a, paragraph 8.6 – 8.8.

⁵ SD03a, paragraph 8.69 and table 8.2.

⁶ SD01, paragraph 10.27

⁷ HO8



reflected in the supporting text to fully identify the significant extent of unmet needs in the region.

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?

- 2.25 Yes; whilst neighbours are at different stages of developing their plans, there is clear unmet needs arising from the majority of HDC's neighbours as well as those authorities within the wider West Sussex region, most notably Worthing and Brighton and Hove Councils.
- 2.26 As set out at 2.4 of the Reg 19 Response, there are significant unmet housing needs within the market area. As it stands now, unmet needs are:
- a) Crawley: Confirmed unmet need of **7,505** dwellings to 2040.⁸
 - b) West Sussex Coastal: due to the constrained nature of the Coastal West Sussex area considerable unmet needs continue to arise, including **10,488** dwellings over the plan period for Worthing⁹ and likely significant unmet needs arising from Brighton and Hove.¹⁰
 - c) Neighbouring Green Belt Authorities: Neighbouring Mole Valley BC has an unmet need of circa **1,700** dwellings over its plan period 2020 to 2039 and is heavily constrained by Green Belt. Waverley BC has confirmed it is likely to only be meeting unmet needs of Woking BC.
- 2.27 Whilst appreciating that for some authorities the precise quantum of unmet need is to be determined, it is absolutely clear, and has been for some time, that a number of authorities neighbouring HDC will not be able to meet their needs. These authorities are also more constrained, with those to the south sandwiched between the coast and SDNP and already being highly urbanised, and those to the north containing significant areas of Green Belt. Horsham District by comparison is relatively unconstrained with no Green Belt land and comparatively little of the District being within the SDNP or a National Landscape. Its suitability to accommodate unmet need is demonstrated by its previous willingness to meet some unmet needs in an earlier iteration of the draft plan and as part of the adopted plan, which helped meet needs arising from authorities to the north and south.
- 2.28 As already set out, the water neutrality issue is not considered a sufficient reason to reduce the housing requirement and for the same reasons it is also not a sufficient excuse for refusing to meet unmet housing needs.
- 2.29 If unmet needs are met the total quantum of unmet needs for each HMA should be identified and form a part of the overall requirement.

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?

- 2.30 No Comment.

⁸ See adopted Crawley Plan 2023 – 2040 Strategic Policy H1.

⁹ See DC06

¹⁰ See DC07



3.0 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?

- 3.1 No; consideration of sites for selection must adhere to NPPF paragraph 11. For plan making this means plans should provide for their objectively assessed need (as derived from the SM) unless:
- i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*
 - ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*
- 3.2 Whilst the water neutrality issue may engage part (i) of paragraph 11(b), for those sites that can provide an onsite water neutrality solution and hence avoid adverse impacts on designated sites, the framework is clear that only adverse impacts that ‘significantly and demonstrably’ outweigh the benefits can be a reason for not allocating sufficient sites to meet OAHN. A more permissive approach to allocating sites that could provide a solution, or a more permissive policy approach that enables sustainable sites with a solution to be approved should be adopted to ensure HDC is meeting as much of its OAHN as possible. Recent appeal decisions have shown that Grampian conditions can be used to secure a water neutrality solution ahead of development being occupied.
- 3.3 There is no clear evidence that HDC has applied this test when assessing sites, and in particular those sites, like the land at Campsfield, Southwater, that can avoid harm to any of the footnote 7 protected areas¹¹. The assessment of the Campsfield site indicates that the site has a ‘neutral’ impact on environmental, social and economic objectives.¹² Pre-application advice from officers at HDC also confirms *‘the principle of the proposed [residential] development within the countryside is considered to meet the FAD guidance.’*¹³
- 3.4 On this basis the methodology used is clearly not appropriate or proportionate and there are no clear reasons why sites omitted from the plan, like Campsfield, Southwater, have been discounted, particularly given HDC’s proposal to deliver housing below its OAHN.

¹¹ Whether via a bespoke onsite solution upfront, the SNOWS scheme or via a Grampian condition as recently considered appropriate by inspector at appeal.

¹² Document H11, Part D: Sites not Identified for Potential Allocation for Housing; site reference SA896

¹³ Pre-application advice response dated 13/09/2024. Full response appended



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?

3.5 No; as discussed in hearing statement 2, the plan period needs extension to 2041 as a minimum to ensure it looks forward a minimum of 15 years. The trajectory will also need to be extended to be consistent with the plan period if it is extended.

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?

3.6 It is important that a range of size sites are allocated for development, particularly given the reliance on strategic scale sites to meet HDC's proposed housing requirement. Whilst bigger than 1Ha, the land at Campsfield represents a relatively modest sized site that can be delivered quickly with minimal technical constraints.

3.7 HDC should be doing more to allocate small and medium size sites to provide robustness in their housing supply, particularly given the acute shortfall in forecast housing delivery in the early years of the plan.

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?

3.8 No; the Windfall Study 2024 provides high level evidence of past completion arising from windfall development but without a detailed analysis of the sources of this supply beyond the size of site and whether it was PDL or Green Field. Failure to consider the sources of windfall supply means it is not possible to make informed predictions about future potential trends.

3.9 Furthermore, the paper suggests approvals arising from appeal sites have, rightly, been removed during period where the Council has not been able to demonstrate a 5YHLS; but it is not clear if positive decisions made locally where the FAD document was applied have been removed.

3.10 The Study also underplays the potential constraint of achieving Water Neutrality, particularly for SME developers building out smaller sites which are unlikely to be eligible for credits from the SNOWS scheme and are likely to have challenges providing a technically feasible or financially viable solution either on site or off site. The water neutrality issue will also affect Permitted Development CoU to residential applications given it is a HRA issue, which is assumed to have been a significant component of supply of previous windfall development.

3.11 In short, the evidence available does not present the compelling evidence required by paragraph 76 that a windfall allowance of 120dpa can be relied upon for the whole plan period.

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?

3.12 In relation to whether the ability to demonstrate a 5YHLS on adoption and into the future is realistic, this will be largely dependent on the ability of the Water Neutrality



- scheme being developed by the affected authorities (SNOWS). There has been no substantive update on the SNOWS scheme since the regulation 19 version of the plan was published for consultation and there is still subject to considerable uncertainty over its capacity and timing. The majority of sites relied upon in the first years which do not have planning permission are reliant on SNOWS to achieve water neutrality.
- 3.13 The trajectory also does not provide for a non-implementation rate for permitted sites (the inclusion of which is common practice); and given the water neutrality issue and the CG Fry case, makes non-implementation potentially more likely.
- 3.14 As per our answers to Q4 of this issue, there has also been little analysis of the effect of Water Neutrality on likely windfall delivery.
- 3.15 Consequently, it is considered unlikely that a 5YHLS will be achievable on adoption of the plan and, without further significant allocations or a more permissive policy approach which allows sustainable development to come forward, it is also unlikely based on the evidence available now that HDC will be able to demonstrate a 5YHLS into the future.

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?

- 3.16 The ability of sites to deliver housing in the latter plan period in line with the trajectory will be dependent on their ability to deliver a private water neutrality solution or benefit from a strategic solution provided by a 3rd party (such as the SNOWS scheme). For many of the sites, this remains uncertain, for example the strategic allocations at east of Billingham, land north of west of Southwater and land west of Ifield all indicate they do not yet have a fully defined water neutrality solution and are likely, at least partially, to need to rely on the as yet not operational, SNOWS scheme.¹⁴ At present, there is no certainty as to how any credits from SNOWS would be allocated, but it is likely to significantly limit supply.
- 3.17 This alone places considerable doubt on not only the short- but also the long-term trajectories reported by the Council. It is consequently important that the Council allocates further sites with a water neutrality solution at an advanced stage of development, to improve the robustness of their trajectory. Failure to do undermines the soundness of the plan.

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?

- 3.18 No Comment

¹⁴ As confirmed by document H11, Part B: Strategic Sites Assessment.



4.0 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?

- 4.1 Generally supportive of approach provided sufficient flexibility is adopted in the application of the policy, particularly where local or national market circumstances may have changed before a updated SHMA is produced.

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?**
- 4.2 No; The latest AMR that indicates affordable housing completions (2021/22)¹⁵ shows that for every year 2016-2022, the average percentage of affordable housing delivered as a proportion of the total number of homes delivered never exceeded 25% - already 10% below the existing 35% target.
- 4.3 It is agreed that there is a dire need for affordable housing within the district but setting a higher affordable housing requirement will not necessarily result in commensurate increase in levels of affordable housing delivery.
- 4.4 Given the reliance on market led sites to deliver affordable housing, reducing the housing requirement will likely result in even less affordable housing being delivered than is currently the case – the surest way to increase affordable housing is to allocate more sites increasing the overall number of affordable homes delivered, rather than increase the affordable housing requirement which will likely render more schemes unviable, taking account of the many other requirements being asked of developments (BNG, water neutrality, higher sustainability requirements etc).

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?**

¹⁵ The affordable housing completion figures do not appear to be available for the latest 2022/23 AMR.



- 4.5 There is no evidence presented to support the implementation of the NDSS requirement as required by footnote 52 of the NPPF.
- 4.6 Accessibility standard and NDSS standard should also be sufficiently flexible to react to local market circumstances as well as the context of the site. This is reflected in the SHMA recommendation 8 which confirms a need for M4(2) housing but where 'this is feasible and appropriate onsite.' It is unclear where the evidence for M(3) requirement has arisen.

Q4 to Q8

- 4.7 Not Answered



5.0 Issue 4 – Whether the Plan is positively prepared, justified, effective and consistent with national policy in planning to meet gypsy and traveller accommodation needs?

Q1 to Q5

5.1 No comment.





Appendix A

**Hearing Statement – Matter 8: Housing: Campsfield,
Southwater**



