



Horsham
District
Council



Housing Trajectory – January 2024



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1.0 Introduction

- 1.1 This Housing Trajectory paper sets out Horsham District Council's housing land supply position to accompany Strategic Policy 37 of the Draft Horsham Regulation 19 Local Plan for the Plan period 1 April 2023 – 1 April 2040.
- 1.2 It has been prepared having followed the guidance set out in the National Planning Policy Framework (5 September 2023) and Planning Practice Guidance (PPG).
- 1.3 The Housing Trajectory paper has a base date of 1st April 2023.

2.0 Horsham District Planning Framework/ Local Plan Review

Horsham District Planning Framework

- 2.1 The Horsham District Local Plan, known as the Horsham District Planning Framework (HDPF) was adopted on 27th November 2015. Policy 15 ("Housing Provision") sets a housing target of at least 16,000 homes to be delivered over a twenty-year Plan period, running from 1 April 2011 to 31 March 2031. This equates to an average of 800 dwellings per annum.
- 2.2 Policy 15 sets out how that target of 16,000 will be met:
 - Housing completions for the period 2011-2015;
 - Homes that are already permitted or agreed for release;
 - Strategic Sites
 - At least 2,500 homes at Land North of Horsham
 - Around 600 homes Land West of Southwater
 - Around 150 homes at Land South of Billingshurst
 - The provision of at least 1500 homes throughout the District in accordance with the settlement hierarchy, allocated through Neighbourhood Planning;
 - 750 windfall units

Local Plan Review

- 2.3 Paragraph 33 of the NPPF (20 December 2023) states that policies in local plans should be reviewed every five years to assess whether they need updating. Horsham District Council is currently in the process of reviewing its development plan. Horsham Council published a Regulation 18 document for public consultation between 17 February 2020 and 30 March 2020. A draft regulation 19 Plan (2023-2040) was presented to Council on 11 December 2023 and Horsham Councilors approved the Draft Plan for public consultation between 19 January – 1 March 2024.
- 2.4 Strategic Policy 37 of the Draft Horsham Local Plan “Housing Provision” makes provision for the development of “at least 13,212 homes and associated infrastructure within the period 2023-2040 at an average delivery rate of 777 homes per year (This includes an additional 10% buffer within Years 1-5, as required by paragraph 74 of the National Planning Policy Framework (5 September 2023)).
- 2.5 Strategic Policy 37 continues “The minimum requirement will be split between an annual average requirement on a stepped basis as follows:
- Years 1-5 (2023/24 – 2027/28) 480 dwellings per annum
 - Years 6-17 (2028/29 – 2039/40) 901 dwellings per annum.
- 2.6 Strategic Policy 37 includes delivery at 3 key existing strategic sites:
- At least 2,000 at Land North of Horsham
 - At least 1,400 at Kilnwood Vale
 - At least 275 at Land West of Southwater (Broadacres)
- 2.7 Strategic Policy 37 also includes new draft allocations:
- At least 1,600 homes on Land West of Ifield (from an allocation of 3,000 dwellings)
- At least 735 homes on Land North West of Southwater (from an allocation of 1,000 dwellings)
- At least 650 dwellings on Land East of Billingshurst (from an allocation of 650 dwellings).

2.8 Strategic Policy 37 also includes provision for:

- At least 1,795 dwellings from smaller site allocations;
- An additional 60 dwellings from intensification of the Land North of Horsham allocation(Horsham District Planning Framework, November 2015)- the intensification totals 500 dwellings
- Approximately, 1,680 windfall units

3.0 Calculating the Housing Requirement for the Draft Local Plan (2023-2040), as per the NPPF (5 September 2023)

Background

- 3.1 The housing land supply for the Plan period (2023-2040) set out in Strategic Policy 37 “Housing Provision” is calculated with a base date of 1st April 2023.
- 3.2 The Transitional Arrangements to the new NPPF (20 December 2023) state at paragraphs 224-230 that for development management purposes, the policies in the December 2023 Framework should be used from 20 December 2023, while those local plans who reach Regulation 19 before 19 March 2024 should be examined under the September 2023 NPPF. The draft Horsham Local Plan will therefore be examined under the NPPF dated 5 September 2023.
- 3.3 The NPPF (5 September 2023) states at paragraph 74 that:

“Strategic Policies should include a trajectory illustrating the expected rate of housing delivery over the Plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of 5 years’ worth of housing against their housing requirement set out in adopted strategic policies or against their local housing need where the strategic policies are more than five years old.

The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the Plan period) of:

- 5% to ensure choice and competition in the market for land; or
 - 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
 - 20% where there has been significant under delivery of housing over the previous three years , to improve the prospect of achieving the planned supply (this will be measured against the Housing Delivery Test, where this indicates that delivery was below 85%).
- 3.4 In accordance with paragraph 74 of the NPPF (5 September 2023), there is therefore a requirement to assess the housing requirement against the local housing need (The Horsham District Planning Framework became 5 years old on 28 November 2020). The Standard Method calculates the local housing need (at March 2023) to be 911 per year. This equates to **4,555** for the five year period (1 April 2023 – 31st March 2028), and **15,487** for the entire Plan period (2023-2040).

Buffer/ Housing Delivery Test

- 3.5 In terms of adding a buffer to the supply for Years 1-5 of the Plan period, as required by paragraph 74 of the NPPF, it is necessary to use the latest Housing Delivery Test result, to see whether the buffer is 10% or 20%.
- 3.6 Historically, Horsham has performed very well against the HDT measurement:
- 3.7 The latest HDT measurement (2022) for Horsham was published on 19 December 2023 and was 98%. This result is based on the monitoring years 2019-2020, 2020-21, and 2021-2022. For the purposes of the Housing Delivery Test, and Strategic Policy 37 “Housing Provision” of the Draft Local Plan, Horsham is required to add a 10% buffer to its supply in years 1-5.

Table 1 – Horsham Housing Delivery Test (HDT) Results 2018 -2022

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

3.8 Horsham Council wishes to demonstrate at the Examination into its Draft Local Plan in 2024 and, in line with paragraph 74 of the NPPF (5 September 2023), that it has a 5 year supply of housing.

Dealing with past under delivery

3.9 In calculating the Housing Requirement for the new Plan (2023-2040), it is also necessary to calculate any shortfall in delivery that has arisen since the base date of the current adopted Plan.

3.10 The Planning Practice Guidance, para 31 states when addressing the issue of past under delivery of housing against the housing requirement:

“The level of deficit, or shortfall will need to be calculated from the base date of the adopted plan and should be added to the Plan requirements for the next 5 year period (Sedgefield approach), then the appropriate buffer should be applied. If a strategic policy-making authority wishes to deal with past under delivery over a longer period, then a case may be made as part of the plan -making and examination process rather than on a case-by-case basis on appeal”.

3.11 Horsham Council considers that is appropriate to spread any shortfall in delivery over the Plan period.

3.12 The Horsham District Planning Framework has a start date of 2011. As set out in **Table 2** below, there is an oversupply of 83 dwellings in the provision of dwellings between 2011/12 and 2022/23, against the annual Plan target of 800 dwellings. As such, there is no shortfall to be added to the five year land supply calculation.

Table 2: Net Housing Plan Requirement in Horsham District 2011-2023

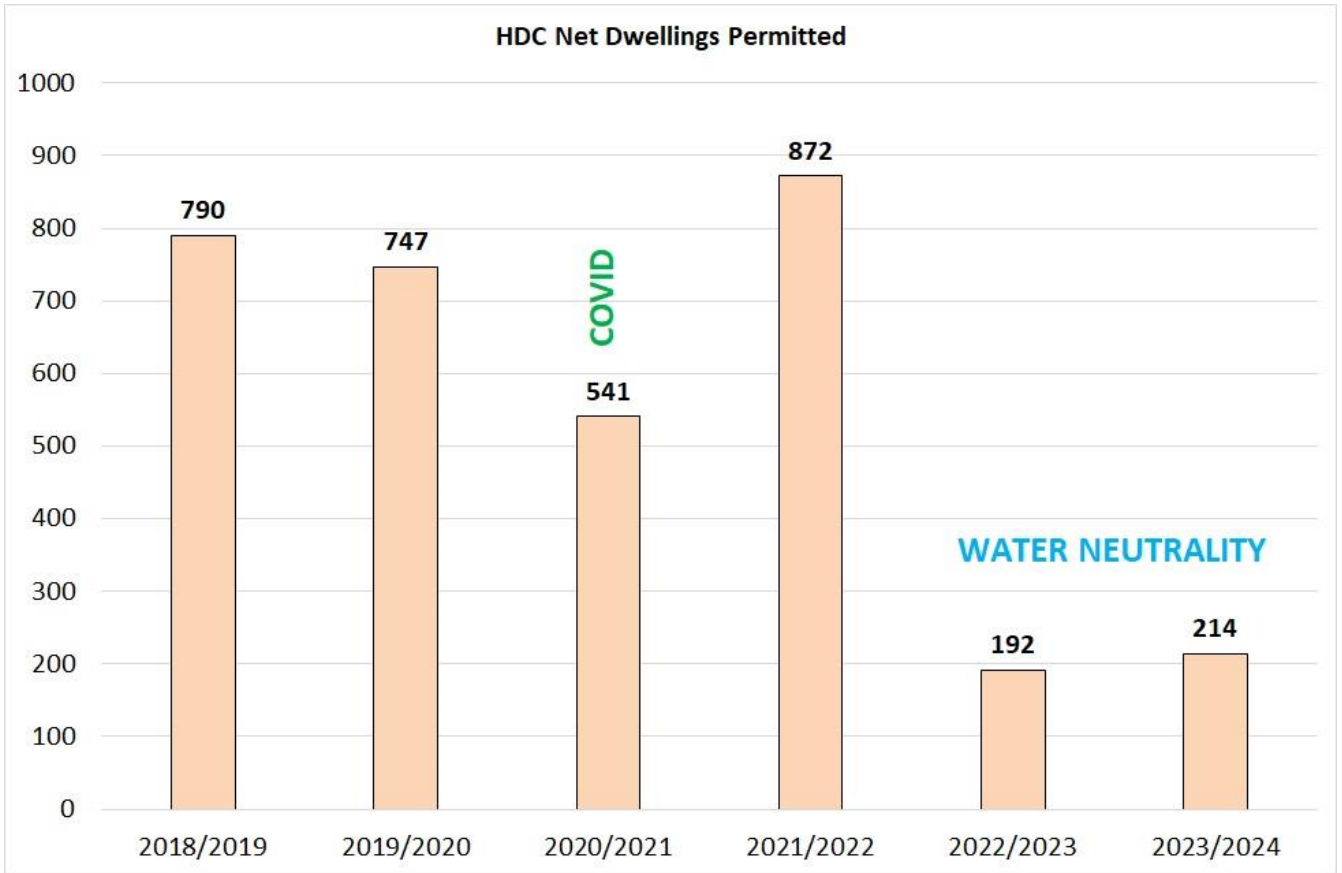
Year	Target	Net Completions	Annual Number above / below 800 target	Cumulative Delivery
2011 - 2012	800	261	-539	-539
2012 - 2013	800	479	-321	-860
2013 - 2014	800	824	+24	-836
2014 - 2015	800	855	+55	-761
2015 - 2016	800	1201	+401	-380
2016 - 2017	800	795	-5	-385
2017 - 2018	800	1125	+325	-60
2018 - 2019	800	1369	+569	+509
2019 - 2020	800	955	+155	+664
2020 - 2021	800	769	-31	+633
2021 - 2022	800	654	-146	+487
2022 - 2023	800	396	-404	+83
Cumulative Target 2011-2023	9,600	9,683	+83	+83

3.13 The Council's total Plan requirement, as per the NPPF, for 2023-2040 is **15,487** (911 x17) dwellings. There is no shortfall to be added to this total, and the first five years will have to include a buffer of 10%.

4.0 Water Neutrality

- 4.1 On 14th September 2021, Natural England sent a Position Statement to Horsham District Council (as well as Chichester District, Crawley Borough, the South Downs National Park and West Sussex County Council) setting out concerns that new development in Northwest Sussex was increasing the demand for water, which is thought to be harming internationally protected species in the Arun Valley, with the potential threat of the extinction of some species.
- 4.2 The advice from Natural England is that for development to proceed, it must be water neutral. i.e. new development should not increase the rate of water abstraction from the water supply site at Hardham, near Pulborough above existing levels.
- 4.3 The outcome of this Position Statement is that Horsham Council is unable to determine current planning applications unless it can be shown that they are water neutral. While this will not normally impact the majority of smaller scale household applications, all other proposals must be able to demonstrate water neutrality in order to allow the Council to comply with its legal duties. This has delayed the preparation of the Local Plan to enable a water neutrality mitigation strategy to be prepared.
- 4.4 The Housing Trajectory is based on the position of a) development being able to demonstrate water neutrality and b) the introduction of the water mitigation strategy in autumn 2024. This issue will however need to be kept under review in future monitoring reports in light of the eventual solutions that are found.
- 4.5 It remains the case, however, that the constraints of water neutrality, which have been placed on Horsham District by Natural England's Position Statement of 14 September 2021, have had a significant impact on the ability of the Council to grant planning permissions since then and this has subsequently impacted housing completions (See Table 3 below). While developments that were not affected by water neutrality requirements have continued to be completed, the permissions have not been granted in sufficient number since September 2021 to replace these dwellings in the Council's 5 year supply, In addition, it has been noted that some of the larger developers have built fewer dwellings because of the current economic conditions, and in some cases, have had to stop building entirely on site while they attempt to find their own solution to water neutrality issue, or wait for the Council's strategic solution (Sussex North Offsetting Water Strategy or SNOWS). This is expected to become operational in autumn 2024, and a priority list is being drawn up, so that the most important developments across the Sussex North "Water Resource Zone" can proceed.

Table 3: HDC Net Dwellings Permitted 2018-2023



5.0 Horsham District Housing Supply 2023-2040

Housing Supply

- 5.1 **Appendix 1** sets out a full list of the sites providing Horsham Council's housing supply between 2023 and 2024. It splits the sites into 4 main categories:

Commitments (all permissions and made Neighbourhood Plan allocations)

Strategic Site Allocations

Smaller Site Allocations

Windfalls

Commitments

- 5.2 "Commitments" include all extant permissions and allocations from "made" neighbourhood plans. (i.e those that have been approved by an Inspector ad passed at a subsequent referendum). **Appendix 1** contains a total of **6,692** commitments. This is split into four "sub-categories" of

- Category A sites- **1,665** dwellings - detailed permissions for strategic sites, 5 + sites and Neighbourhood Plan sites (a Category A site is defined in Annex 2 of the NPPF (5 Sep 2023) under "deliverable": "sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within 5 years")

- Committed small sites (1-4 dwellings)- **260** dwellings

- Category B Permissions for Strategic Sites & 10+ Sites – **3,896** dwellings (a Category B site is defined in Annex 2 of the NPPF (5 September 2023) as "where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within 5 years".

- Category B Made Neighbourhood Plan Allocations – **871** dwellings

Strategic Site Allocations

5.3 **Appendix 1** shows a total of **3,045** new dwellings being delivered in four new strategic site allocations between 2023 and 2040:

- **1,600** dwellings being delivered (out of a total allocation of 3,000) at Land West of Ifield
- **735** dwellings (out of a total allocation of 1,000 dwellings) being delivered at Land NW of Southwater
- **650** dwellings (the entire allocation of 650 dwellings) being delivered at Land East of Billingshurst
- **60** dwellings (out of an additional 500 dwellings) being delivered at Land North of Horsham

Smaller Site Allocations

5.4 **Appendix 1** also includes a total of **1,795** dwellings that are called “smaller site allocations”. These are a mixture of neighbourhood plan sites (where the neighbourhood plan has not been made), together with additional smaller sites (usually fewer than 200 dwellings), particularly where some neighbourhood plans were expiring in 2031.

Windfalls

5.5 The NPPF (5 September 2023) defines “windfall sites” as: “sites not specifically identified in the development plan” (Annex 2 Glossary). Paragraph 71 of the NPPF (5 September 2023) states: *“Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example, where development would cause harm to the local area.”*

5.6 The Council has published a separate “Windfall Paper”, which sets out the evidence for including an annual windfall figure of 120 dwellings per year. We have not included a windfall allowance for development within the first 3 years of the Plan period, as many of the sites that come forward within this period would have been captured within the Authority’s trajectory as commitments. Therefore the windfall allowance for the Plan period is $14 \times 120 = 1,680$ dwellings.

Stepped Trajectory

- 5.7 **Appendix 1** shows a total supply figure of **13,212** dwellings for the period 2023-2040. This equates to 777 dwellings per annum. As shown in Section 4.0 and Table 3 “HDC Net Dwellings Permitted 2018-2023” above, the restrictions imposed by Natural England through “water neutrality” have had a dramatic effect on housing supply in Horsham District. And, until there is a strategic solution in place (which will include Southern Water increasing supply), it is not possible to meet the Standard Method target of 911 dwellings per annum, particularly in the first five years of the Plan period. This District is rural and a large proportion of completions occur on strategic sites, which take a number of years to start on site, even after planning permission has been granted.
- 5.8 HDC is therefore proposing a stepped trajectory through its Local Plan Strategic Policy 37 “Housing Provision”. For the first five years, there is a target of 436 dwellings, plus a 10% buffer of 44 dwellings, creating an annual target of **480** dwellings. Between years 6 and 17, and once the majority of strategic sites have started building on site, that target will jump to **901** dwellings per year. That will give a total delivery figure of 13,212 dwellings between 2023 and 2040 (or 85% of the standard method total of 911 dwellings per annum).
- 5.9 With regards to the **2,275** dwellings of unmet need, HDC will work with its neighboring authorities, particularly those who form the Northern West Sussex Housing Market Area, in exploring opportunities and resolving infrastructure and environmental constraints to meet this need in sustainable locations.