

Hearing Statement

Horsham Local Plan Examination

Matter 8, Issue 1

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On behalf of
Gleeson Land (Response ID: 1211277)

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1. Matter 8, Issue 1

1.1 The issue raised by the Inspector under Matter 8, Issue 1, is set out below.

“Whether the housing requirement is justified, effective, consistent with national policy and positively prepared?”

1.2 In response to this question our view is that the housing requirement is not justified, effective, consistent with national policy or positively prepared, for the reasons set out below.

1.3 Section 10 of the submission HLP (“sHLP”) confirms that the housing requirements for the District, in accordance with the current Standard Method, is calculated as 911 dwellings per annum. This is equivalent to providing a minimum of 15,487 homes in the 17-year period between 2023 and 2040. It is noted that if this was recalculated using the draft Standard Method, consulted on by the new Government earlier this year, the total minimum number of dwellings would be 21,998.

1.4 Paragraph 61 of the NPPF indicates that the Standard Method should be a starting advisory point for the calculation of the local housing requirement and there may be exceptional circumstances where an alternative approach could be taken. Strategic Policy 37 confirms that the sHLP will only secure the delivery of 13,212 dwellings, but it does not advance an alternative approach to the Standard Method. The sHLP instead relies on ongoing Water Neutrality issues as a reason for failing to provide the necessary number of houses, but our view is that this issue is highly likely to be resolved in the early part of the Plan period and therefore is not an adequate reason for failing to address this unmet need, as well as the unmet needs of adjoining authorities. We will address this point further below.

1.5 Para 6 of Policy 37 acknowledges that this generates a 2,275-dwelling shortfall against the Standard Method and states that the Council will work with adjoining authorities as to how this need can be met, working particularly with the authorities making up the Northern West Sussex Housing Market Area (NWSHMA) which includes Crawley and Mid Sussex.

1.6 Crawley Local Plan (“CLP”) was adopted on the 16 October 2024. The CLP contains an unmet need of 7,505 dwellings over the plan period and therefore clearly there is no prospect of Crawley being able to address any unmet need in Horsham. Para 10.11 of the sHLP indicates that if it were not for issues around Water Neutrality, it would be possible for the Council to meet approximately 50% of unmet need in Crawley. Para 10.13 states that this matter could be revisited if a water offsetting scheme came forward to allow for additional housing growth. Our view is that sHLP Strategic Policy 9 provides a sufficient water offsetting scheme that would allow this unmet need to be addressed now. If the Inspector disagrees with this approach, we

consider that a mechanism to require an early review of the Plan should be introduced, in the case that a suitable water offsetting scheme is realised and will allow for the Council to meet its Standard Method requirements plus an allowance for 50% of Crawley Borough Council's unmet need.

- 1.7 The examination into the submission Mid Sussex Local Plan ("sMSLP") has recently completed, the Inspector undertaking this examination has asked Mid Sussex for further information in respect of their Duty to Cooperate. Mid Sussex have identified a total surplus of 996 homes across their plan period, part of which if realised might be able to address the unmet need of adjoining Authorities. The sMSLP indicates that any surplus will be prioritised towards meeting unmet need in the NWSHMA, but given the extent of unmet need in Crawley, it is our view that the bulk of any surplus in Mid Sussex (if realised) will need to be prioritised to Crawley.
- 1.8 Horsham also borders the Sussex Coastal Housing Market Area ("SCHMA") and two Surrey 'Green Belt' authorities (Mole Valley District Council ('MVDC') and Waverley Borough Council ('WBC'), who are located within a different market area.
- 1.9 Within the SCHMA are the coastal authorities of Adur & Worthing, Arun and Brighton & Hove. These authorities are unable to meet their own needs and have significant constraints with the coast to the south and the South Downs National Park ("SDNP") to the north. Brighton & Hove City Council have recently started an 'early issues' consultation towards adopting a new Local Plan, the draft Standard Method generates a requirement for 2,435 homes per annum within Brighton & Hove, against a current annual supply identified by their Strategic Housing Market Assessment of 670 homes (a deficit of 1,765 homes per year that will need to be addressed by their Local Plan). Para 10.14 of the sHLP indicates that Worthing have an unmet need of 10,488 homes for the period up to 2036. Given their physical constraints, new Local Plans adopted by Authorities within the SCHMA, will result in future significant unmet need that will not be addressed. It is likely that the Local Plans adopted by the Sussex Coastal Authorities will result in unmet need amounting to 10s of thousands of homes over their respective Plan periods.
- 1.10 On top of this, the two Surrey 'Green Belt' authorities (Mole Valley District Council ('MVDC') bordered by Horsham have also requested assistance from HDC in meeting identified unmet need in these constrained areas to the north of the district (sHLP, Paragraph 10.17). MVDC is reporting an unmet need of around 1,700 dwellings over its plan period (2020-2037). It is highly likely that local plan making in these Authorities will also result in a significant unmet need being generated.
- 1.11 It is therefore clear that none of the unmet need for 2,275 dwellings will be met within the NWSHMA or by any other adjoining market areas. Rather than having an expectation that other Authorities within the region will meet some of this 2,275 shortfall, it is our view that Horsham should be meeting their

own need in full, as well as providing a surplus to assist the more constrained costal authorities, or physically constrained authorities like Crawley.

- 1.12 Paragraph 67 of the NPPF states that authorities should establish a housing requirement figure for their whole area, which shows to the extent to which their identified housing need can be met over the plan period. It is our view that the housing requirement figure provided for within the draft HLP is not sound as it does not reflect the extent to which housing need can be met over the plan period, because there are other available sites which would help to address the unmet housing need acknowledged within Policy 37. As set out below, it is our view that there are no planning or other reasons as to why this need could not be met in full.
- 1.13 In addition to the shortfall in meeting housing requirements, we also have concerns about the large number of homes identified within the sHLP that are being provided as strategic allocations, which often take a significant period to start delivering housing. Paragraph 10.27 acknowledges that most houses being delivered within Horsham are through strategic allocations (approximately 60%). This is reflected in the stepped approach to housing delivery set out within Strategic Policy 37, with a lower planned delivery of housing in the first 5 years and a higher planned delivery for the remaining years of the plan period. This will delay the Councils ability to address urgent need for new homes in Horsham and would not be an effective approach having regard to Paragraph 36 of the NPPF.
- 1.14 Paragraph 70 of the NPPF advises that Councils should consider the contribution that small and medium size sites can make towards housing supply, particularly as such sites can be built out quickly. It is our view that the sHLP does not allocate sufficient medium sized sites that would be able to deliver housing within the first 5 years. This means that the urgent and significant demand for housing will not start to be addressed until the latter part of the Plan period, which will mean worsening housing affordability issues and an increasing number of people on the waiting list for affordable homes.
- 1.15 In this respect it is relevant to note that Land at North Horsham was allocated in the last Local Plan which was adopted in November 2015. The outline Planning Application was submitted in 2016 (8 years ago) and determined in 2018 (6 years ago). So far, the allocation has resulted in the construction of approximately 300 houses since the site was allocated almost 10 years ago. This highlights the issues with an overreliance on delivery through strategic allocations. The stepped approach to the delivery of housing taken by the sHLP only serves to highlight this issue further.
- 1.16 Of course, the failure of the Council to provide sufficient housing has real world consequences in terms of the number of people on the Council's housing waiting list and the affordability of housing in the District.

- 1.17 The Office for National Statistics (ONS) reports a median house price of £437,000 for Horsham District. Land Registry data reveals a significant increase in house prices of approximately 70% over the past twelve years. These house price increases coincide with the adopted Horsham District Planning Framework plan period and demonstrates the impact that a constrained housing supply reliant primarily on strategic sites has had on affordability during that plan period.
- 1.18 Pay has been unable to keep up with the significant increase in house prices. Figures from the ONS confirm that full-time employees earn a median income of £35,409, the figure drops to £29,515 for all employee jobs within the district. Notably, the latest affordability ratio for Horsham District therefore stands at 12, compared to 7.98 twelve years ago. This stark contrast signifies a substantial decline in housing affordability, even though local incomes have risen by roughly 9% over the same period, which is better than the national average.
- 1.19 Constrained market housing supply, alongside challenges related to mortgage affordability and the under-delivery of affordable housing options have contributed to a widening affordability gap each year. This trend disproportionately impacts young professionals starting their careers and lower-paid workers, many of whom hold vital positions in the local public sector or contribute significantly to the community and environment. The ability to offer readily affordable housing is crucial for retaining these individuals and supporting well-balanced communities that contribute to the success of the local economy.
- 1.20 Whilst issues around Water Neutrality are acknowledged, Strategic Policy 9 of the draft Local Plan provides a mechanism for development to come forward either in accordance with the local authority-led water offsetting scheme ("SNOWS") or a private water offsetting scheme. Given the policy position within the sHLP our view is that any stepped approach to housing delivery is unnecessary because it will ultimately be up to individual development proposals to demonstrate that they are Water Neutral in accordance with Strategic Policy 9. There have now been several private Water Neutrality solutions approved by the Council on this basis. It is also likely that in the early part of the Plan period that Water Neutrality issues will be addressed, because of the legal obligations placed on Southern Water and the Environment Agency to avoid harm to the protected European sites. On this issue our view is that the Council are being unnecessarily pessimistic about the length of time that it will take for this issue to be resolved. Therefore, our view is that it is not an adequate reason for failing to meet the need identified by the Standard Method.
- 1.21 In view of the urgent need for new housing highlighted by the above, the stepped housing approach to housing supply is not effective, because a greater number of houses are needed in the early part of the plan period to address

the affordability issues. The allocation of more medium sized housing sites would mean that the Local Plan is more resilient to market changes and able to deliver housing within the early part of the plan period and therefore would lead it to being more effective and positively prepared.

- 1.22 In summary, Policy 37 as drafted does not meet the tests of soundness because it does not identify sufficient land to meet the Council's needs. There are other areas of available and deliverable housing land that the Council could allocate to address this issue. The strategy to provide most housing within strategic allocations, resulting in a stepped approach to housing delivery is also not effective, as it will result in fewer houses being delivered within the early part of the plan period, which will compound the already significant housing affordability issues. The allocation of medium sites will help to ensure the early delivery of more homes in the right places, to help address these issues.

Inspectors Questions in relation to this Matter

- 1.23 The Inspector raises four specific questions on this issues which we will respond to briefly with reference to the text above.

- **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?

- 1.24 The Councils only justification for a figure below the Standard Method is with reference to Water Neutrality, which is an issue likely to be resolved in the early part of the Plan period. Even if it is not, there are private means for individual developments to ensure that they are Water Neutral (as allowed for within sHLP Policy 9). Therefore, this is not in our view justification for failing to meet the full Standard Method requirements. No explanation as to how this figure has been calculated has been provided within the sHLP, other than with reference to identified available housing sites, the arbitrary nature of this figure demonstrates its lack of justification. We do not believe that the sHLP provides a true reflection of available housing land within Horsham.

- 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?

- 1.25 As we have set out above the long-standing shortfall in the provision of housing within Horsham has had significant real-world consequences for the affordability of housing in the District. There are no adverse impacts against the policies of the NPPF taken as a whole that would significantly and

demonstrably outweigh the socio-economic benefits of meeting the Councils objectively assessed housing need in full.

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

1.26 The need for a stepped annual requirement is a consequence of the Council failing to allocate a diversity of sites, including medium and small sites that could be developed within the first 5 years of adoption. This is not justified because it could be resolved by allocating sites that can address the urgent need for new houses within an earlier part of the plan period.

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

1.27 In our view it is not justified because there are urgent housing affordability issues resulting from existing shortfalls in housing delivery which the Council should aim to address within the early part of the Plan period.

- **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?**

1.28 The sHLP refers to the unmet need being met by other authorities within the NWSHMA. When the sHLP was first drafted, it is our view that this was extremely unlikely, but following subsequent progress of the Crawley Local Plan and Mid Sussex Local Plan, it is now categorically untrue. No unmet housing need generated by the sHLP will be met by other Authorities within the NWSHMA.

- **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?**

1.29 As we have highlighted above, in addition to the NWSHA, Horsham borders the Sussex Coast Housing Market Area to the south and two Green Belt authorities to the north (Mole Valley & Waverley). Across the Sussex Coast Housing Market Area, we anticipate that there is likely to be an unmet need running into the 10s of thousands due to their constrained nature and the significant housing requirements for Worthing and Brighton & Hove. MVDC has requested assistance from Horsham for meeting its unmet need of 1,700 homes. Therefore, our view is that to be sound, the sHLP should address some of this significant unmet need from its neighbours.

2. Matter 8, Issue 2

2.1 The issue raised by the Inspector under Matter 8, Issue 1, is set out below.

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

2.2 It is our view that the Council have not provided sufficient justification for failing to provide a better diversity of sites which would make their housing delivery more resilient. The Council have failed to have regard to Paragraph 70 of the NPPF which recognises the importance of small and medium sized sites to the delivery of housing. This includes failing to provide at least 10% of their housing supply on sites of less than 1 hectare. No justification has been provided for taking this approach within the sHLP, despite recognition within the Plan that this will delay the delivery of housing.

2.3 As set out by Paragraph 1.16 the difficulties reflected by taking this approach is demonstrated by the significant issues it has caused in the delivery of the sites allocated by the current local plan, which have failed to provide a significant number of houses within the Plan period. We accept that this has in part been caused by issues around Water Neutrality, but the lack of site diversity has accentuated the issues caused by Water Neutrality. It is our view that a more diverse range of allocated sites in the last Local Plan would have made that Plan more resilient, as medium sized sites would have been more able to address Water Neutrality by private means. It is our view that the Council are repeating this error by not allocating a more diverse range of sites within the sHLP.

2.4 For the above reasons our view is that the overall land support and site selection process has not been justified and is inconsistent with national policy.