



MATTER 8: HOUSING (STRATEGIC POLICIES 37, 38 & 39)

1 Introduction

- 1.1 This statement has been prepared on behalf of Our Place Sustainable Development Limited ('Our Place'). It follows the Inspector's Notes ID03 (Examination Guidance Note) and ID04 (Matters, Issues and Questions) and considers the soundness of the Submitted Regulation 19 Local Plan (SD01) as proposed to be modified by SD14 (v2).
- 1.2 As background, Our Place is both the landowner and the master developer for the proposed 150 ha Kingswood new settlement. Located close to Adversane¹ south of Billingshurst, it has the potential to deliver 2,850 homes, employment and town centre uses (providing 2,450 jobs)² with associated open space, schools, community facilities and infrastructure. Despite Our Place proactively engaging with the Council throughout the local plan process, having signed up to a planning performance agreement (PPA) and providing extensive evidence to demonstrate the unconstrained and deliverable nature of Kingswood, it has been unjustifiably omitted from the Local Plan³.
- 1.3 This Statement comments on the soundness of the plan and its evidence base following the questions posed by the Inspector in relation to this matter. Statements have been lodged in respect of other matters and, where appropriate, these are referenced in this Statement.

2 Matter 8, 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 **The policy is not sound and the approach is not justified.** Paragraph 10.21 of the draft Local Plan explains that the 13,212 homes are what is considered deliverable. Topic Paper 1 (the Spatial Strategy) seeks to justify the approach on the basis of the major constraint of water neutrality (paragraph 8.3), with specific reference to the footnote 7 exception of paragraph 11 of the NPPF meaning that the requirement to (as a minimum) meet the OAN cannot be met due to impacts on protected habitats (paragraph 7.16).
- 2.2 This means that the Council will fail to meet both its OAN of 917 dph (911 dph at the point the Regulation 19 plan was published) and the needs from neighbouring more constrained

¹ Which it is often called in the Councils' evidence base (under reference SA597)

² Comprising circa 11,419 sq.m of office space, 3,000 sq.m of light industrial, 7,255 sq.m of retail floorspace and a hotel

³ Extensive representations on behalf of Our Place were submitted to both the Regulation 18 and 19 versions of the draft Plan (ref [SD13.1198209](#)).



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authorities. This includes the unmet needs to Crawley where the recent Local Plan Inspector's report found that it planned for only 5,330 dwellings compared to an unmet housing need of 7,505 dwellings (paragraph 106).

- 2.3 Our Places' Regulation 19 representations included a Technical Note from Marrons which calculates that housing need could be more than twice the 777 dph being planned for in the Local Plan and far in excess of the OAN of 917 dph (table 1). Indeed, the Council themselves put forward scenarios in the Regulation 18 plan for up to 1,400 dph. Various higher figures are also referenced in Topic Paper 1 (e.g. 1, 100 dph at paragraph 5.25)

Table 1: Housing Need Scenarios

Scenario/Source	Dwellings per annum
Draft Plan 2024 housing requirement	777
Draft Plan 2024 housing OAN (standard method minimum need)	917 (911 Reg 19)
Economic-led housing need	1,200 – 1,400
Economic-led housing need plus addressing unmet need	1,600 – 1,800
To meet affordable need in full based on historic rate of delivery	3,300

- 2.4 Given that the starting point in the NPPF is, as a minimum, to meet the OAN (paragraph 11b) and the PPG requires the identification of housing need as the first step in the process before applying constraints (ref ID2a-001), it is essential that this is clearly understood before judgements are made about whether the constraints justify the exceptional circumstances test in the NPPF (paragraph 61). On one hand, Our Place do not consider that there is a clear and robust understanding of the scale of housing need taking into account the OAN and unmet needs from neighbouring authorities to allow judgements to be made. On the other, and as explained in the Our Place Matter 1 & 3 Statements, legally compliant proper consideration has not been given in the SA or other documents to achieving water neutrality whilst delivering more housing including the OAN. Without such an assessment it is not possible to claim that the approach is justified.

- 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?*

- 2.5 Yes, the adverse impacts would outweigh any benefits and the overall housing requirement is not justified. Neither the draft Local Plan nor Topic Paper 1 adequately describe the scale of housing need which had been compounded by severe under-delivery in recent years. There is no explanation about how this directly affects current and future residents of the district. The Government's approach is to significantly boost the supply of homes so that there is a sufficient amount and variety of land so that it can come forward where it is needed and can



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meet the needs to groups with specific housing requirements⁴ and recent Government Written Ministerial Statements lends significantly more weight to this requirement. The 30 July 2024 Written Ministerial Statement⁵ makes it clear how Horsham and other Councils must respond to the housing crisis and its consequences through a step change in housing delivery:

“The Government has today set out the first major steps in its plan to build the homes this country needs...”

We are in the middle of the most acute housing crisis in living memory. Home ownership is out of reach for too many; the shortage of houses drives high rents; and too many are left without access to a safe and secure home.

That is why today I have set out reforms to fix the foundations of our housing and planning system – taking the tough choices needed to improve affordability, turbocharge growth and build the 1.5 million homes we have committed to deliver over the next five years.”

2.6 For Horsham, not fully responding to housing needs and consequential limited supply will mean that the cost of housing will increase something which will particularly affect younger and more vulnerable groups. Waiting lists for affordable housing will rise and undersupply will cause the worsening of existing social and economic problems. For instance for Horsham:

- Since the Local Plan was adopted in 2015, the local authority housing waiting list has increased from 520 in 2015/16 to 740 in 2022/23. This is a +42% increase. The South East has seen a 24% reduction in this same period⁶.
- Median house prices have risen from £335,000 in 2015 to £450,000 in 2023. This is a 34% increase. Horsham is significantly more expensive than the average median-priced property in the south east in 2023, £390,000.
- A rise in rural homelessness of 8% between 2018/19 to 2022/23 in rural Sussex (Chichester, Horsham, Rother and Wealden)⁷.
- Net affordable housing completions delivery represented only 15% of all completions in the decade 2010-2020. In 2021-23 just 157 affordable dwellings were delivered equating to 8.7% of all completions⁸.

2.7 Unlike neighbouring authorities like Crawley, where water neutrality was one of a number of major constraints, this factor is given as the prime reason why Horsham is unable to meet its own housing OAN and a proportion of its more constrained neighbour’s OAN.

⁴ NPPF paragraph 60

⁵ <https://questions-statements.parliament.uk/written-statements/detail/2024-07-30/hcws48>

⁶ Source https://assets.publishing.service.gov.uk/media/66798f5bc7f64e234208ff3c/Live_Table_600.ods

⁷ Source <https://www.cpresussex.org.uk/wp-content/uploads/sites/16/2024/03/Press-release-Rural-homelessness-increases-in-Sussex.pdf>

⁸ Source Marrons, Housing Needs Technical Note accompanying Our Place Regulation 19 representations



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2.8 It is clear from the Council's evidence base⁹ that the understanding of the water neutrality issue is still evolving along with the proposed mitigation strategy. A solution to the water neutrality constraint could be found early in the plan process which would immediately remove the cap on meeting housing need. And fundamentally new settlements, particularly Kingswood (as has been demonstrated) can provide bespoke solutions to address and overcome the constraint so the Council's application of the constraint in these circumstances is inherently unsound and unlawful (given the SA requirements). The Council has taken an unsound, as well as unjustifiably conservative or pessimistic approach to this constraint and the Local Plan should not be accepted on this basis. Water neutrality can act as a major constraint, but equally it can be overcome and it is not one which is wholly exceptional as suggested by the Council, let alone in a way which would justify the omission of Kingswood as an allocation. On the Council's approach it would leave disastrous and very significant unmet housing needs (including historic backlogs) as well as not helping to meet the needs of more constrained neighbouring authorities who are less able to deliver housing in comprehensively planned new settlements like Kingswood.

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

2.9 No. The proposed stepped approach to the housing requirements in Policy 37¹⁰ demonstrates an unsound lack of ambition and failure to meet the requirement for the plan to positively prepared. The stepped approach projects forward very poor housing delivery for the next 5 years. It is purported to be justified on the basis of reliance on the allocation of larger strategic sites. However, the approach is simply not justified and it is noted that:

2.9.1 Current water neutrality may be removed early in the plan period (see Matter 3 statement).

2.9.2 Only approximately half of the 13,212 allocated homes are from strategic sites listed in Part 1 and 2 of the policy (totalling 6,660 homes).

2.9.3 The Kilnwood Vale decision by the Secretary of State on 25 October 2024¹¹ confirms that there is not a moratorium on granting planning permission in the context of the Water Neutrality (with conditions imposed to secure reduced water demand e.g. of 85lpd) and the opportunity to accelerate delivery should be fully explored in this context and emerging mitigation strategies.

2.9.4 Even large new settlements like Kingswood can deliver housing quickly, with early phases capable of delivering circa 300 homes on land owned by Our Place and without the need for major infrastructure e.g. the construction of a bridge which is required in later phases.

2.9.5 Kingswood can overcome the constraint in any event.

⁹ Water Neutrality Policy Update topic paper (July 2024) & SNOWS Project Review May 2024

¹⁰ 480 dph for years 1-5 and 902 dph for years 6-17

¹¹ Appeal ref APP/Z3825/W/23/3333968 for reserved matters consent for 280 homes



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2.10 The proposed housing trajectory in Strategic Policy 37 should be amended to deliver a higher target and increase annual delivery across the Plan period as a minimum. Given the poor delivery of affordable housing in particular, the trajectory needs to be weighted towards the early and middle part of the Plan period to ensure the clear need for housing, and dire need for affordable housing, is met as soon as possible.

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?*

2.11 **Yes**, the Local Plan needs to acknowledge that the unmet needs of Crawley where the recent Local Plan Inspectors report found that it planned for only 5,330 dwellings compared to an unmet housing need of 7,505 dwellings (paragraph 106).

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?*

2.12 **Yes**. See response above. Whilst various scenarios were considered at the Regulation 18 stage, the level of unmet need in neighbouring authorities has not been adequately assessed by the Council as part of the evidence base for the submitted plan. As explained, above this needs to take into account the recent conclusions from the Inspector examining the Crawley Local Plan.



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3 Matter 8, 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. Whilst the SA and other documents considered various options for the delivery of housing, the Council's starting point has been one of constraint which is not justified or sound. It has not sought to show what would be need to be in place to deliver its OAN and other unmet needs. Part 6 of Strategic Policy 37 acknowledges that there will be an unmet need of 2,275 dwellings and suggests the Council will work with neighbouring authorities, particularly those who form the Northern West Housing Market Area in exploring opportunities and resolving infrastructure and environmental constraints to meet the need. However, within Horsham District there are the opportunities to meet this unmet need (and that of neighbouring authorities which is not acknowledged) which is not addressed at all. The Adversane Site lies within the Northern West Sussex Housing Market Area and scored highly in the SA and other assessments. However, it has been inexplicably dismissed because of the Council's unsound approach to the notion of constraint and inconsistent and often arbitrary approach to site selection. As explained in Our Place's Regulation 19 representations (paragraph 75 to 84) analysis and reasoning in site selection is inconsistent and arbitrary. For instance:

3.1.1 The analysis did not include proper consideration of constraints generally. For instance, in the knowledge of the possible layout and composition of the Kingswood scheme, the site was assessed as unfavourable in heritage terms because of the site's overall proximity to heritage assets rather likely relationships with built form.

3.1.2 Lower scoring was given to the Adversane Site on the basis of unevidenced concerns that there would be an achievable housing trajectory in conjunction with Land East of Billingshurst. Aside from the two sites not being delivered to market simultaneously and different types of housing being delivered, a new settlement would reasonably be expected to draw residents from a wide catchment area. The Adversane Site is located within the housing market area where policy 37 is seeking to explore opportunities with other authorities. It could readily be delivered within the plan period alongside Land East of Billingshurst.

3.1.3 The change in the transport scoring for the Adversane Site from 'neutral' at the Regulation 18 stage to 'unfavourable' at the Regulation 19 stage. Paragraphs 127 to 149 of Our Place's Regulation 19 representations explain the good public transport accessibility of the site and how the justifications do not reflect likely outcomes demonstrated by modelling and discussions with the Highway Authority.



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- 3.2 For the reasons explained elsewhere in the Our Place representations, the Adversane Site is very well placed to provide the Housing that Horsham needs (scoring highly in the Sustainability Appraisals)

4 Matter 8, 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?*

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?*

Under delivery of homes and affordable homes

- 4.1 **No.** Identified needs would not be met. Under provision of affordable housing is closely related to unmet housing needs overall (see above).
- 4.2 The Council's SHMA suggests that Affordable housing need is 503 dpa in HDC, and states that 1,400 dpa would be required overall to deliver affordable need in full, based on 35% affordable provision.
- 4.3 The data from the last three years shows a significant slowing of affordable housing delivery in Horsham, with the most recent year showing a fall in stock overall of 35 affordable dwellings, and net affordable delivery over the past three years falling to only 8.7% of overall completions. The net delivery of 157 affordable dwellings only represents only 10.4% of the need (1,509 affordable dwellings over three years) identified in HDC's own evidence base.
- 4.4 The inter-relationship with Policy SP37 and the unmet need and delayed delivery, requires an additional allocation for a new settlement that can actually deliver affordable housing, in addition to the allocation Land West of Ifield development. This is essential, not least to comply with PPG which states "*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.*" (ref. ID2a-024, 2019).

Strategic Site flexibility

- 4.5 Strategic Sites typically require early delivery of utilities, roads, public transport provision, education facilities etc to ensure that the housing and/or other uses in early phases are accompanied with the necessary infrastructure and mitigation. High up front costs are a well known barrier to delivery and are the reason why large sites can be slow to develop. The



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Council's November 2023 Local Plan Viability Study (paragraph 6.21) cross refers the PPG¹² which requires consideration of various factors including abnormal costs associated with phased and complex sites and site specific infrastructure costs. Whilst that study has referenced the guidance which recognises the complexity and challenge, it is not evident that the complexity has been fully taken into account in the viability analysis. High upfront costs can inhibit the ability to deliver affordable housing in early phases, but this can be made up in later phases. Changes are therefore recommended to the policy as follows:

“Strategic Policy 39: Affordable Housing

Residential development will only be supported provided that:

1. *On self-contained residential developments (C2 and C3, including retirement and other specialist care housing) that are proposed for, or have a capacity for, 10 or more homes (gross*) or exceed 0.5 hectares, a proportion of the homes or units shall be provided as affordable homes (as defined in the Glossary). The proportions will be as follows:*

a) *On greenfield sites** providing self-contained dwellings (houses and/or flats), a minimum 45% of the total (gross*);*

b) *On previously developed (brownfield) sites self-contained dwellings (houses and/or flats), a minimum 10% of the total (gross*);*

c) *On strategic sites***, a minimum 35% of the total (gross*) except for Land West of Ifield where a minimum 40% of the total (gross*) will apply;*

d) *On sites providing continuing care retirement housing, retirement housing and other specialist care housing, a minimum 30% of the total (gross*) as applies in accordance with Policy 42;*

e) *On sites providing Build to Rent accommodation, a minimum 40% of the total (gross*) where the site is greenfield**, or a minimum 20% (gross*) where the site is previously developed (brownfield).*

2. *At least 70% of the affordable homes are provided, preferably as social rented homes or otherwise as affordable rented homes, and the remaining up to 30% provided as low-cost home ownership which may include shared ownership and First Homes. For First Homes a 40% discount compared with the open market value will apply. Social rented provision will therefore be prioritised over affordable rented in appropriate locations.*

Reductions in the amount, changes to the tenure or deferment of the affordable housing requirements set out above will only be accepted if this is justified through viability evidence, taking into account factors including Alternative tenure mixes (including any reduction in the overall proportion of homes delivered on-site) will only be considered if evidence is provided to justify this based on proven local need or, in exceptional circumstances, risk of non-delivery

¹² Paragraph 012 Reference ID: 10-012-20180724



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(which may include where abnormal site constraints [or infrastructure costs](#) significantly impact on viability).

3. Future occupants of all rented affordable and First Homes are required to demonstrate a local connection, as defined in the Glossary. Eligibility for First Homes will be subject to a combined annual household income cap based on local evidence, to be set through a Section 106 legal agreement.

4. Affordable homes must be integrated throughout the development and be of visually indistinguishable design. They should be located throughout the site in a manner that supports integration but can also be managed efficiently by the relevant housing associations.

5. It is expected that affordable housing will be delivered on-site. In exceptional circumstances where it can be demonstrated that this is not viable, the Council will seek equivalent off-site provision, or financial contributions in lieu to provide for the full cost of the same number of units.”