

# **Housing Need Considerations for the Cowfold Parish Neighbourhood Plan**

Prepared for  
Cowfold Parish Council

Prepared by  
Dale Mayhew BA (Hons) BTP MRTPI

May 2019

Version  
FINAL

<b>Contents</b>	<b>Page</b>
<b>1. Introduction</b>	<b>2</b>
<b>2. Cowfold Parish Baseline Data</b>	<b>3</b>
<b>3. Housing Need Methodologies</b>	<b>4</b>
<b>4. Weight to be attached to Methodologies</b>	<b>7</b>
<b>5. Considerations</b>	<b>8</b>

## **Appendices**

- |            |   |
|------------|---|
| Appendix 1 | Cowfold Parish Council: Completions and Commitments 2011 - 2018 |
| Appendix 2 | Methodologies   |
| Appendix 3 | Methodology Summary   |
| Appendix 4 | Market Signals  |

## 1. INTRODUCTION

- 1.1. This document is part of the evidence base that will support and inform decisions made by Cowfold Parish Council (CPC) in respect of the emerging Cowfold Neighbourhood Plan (CNP).
- 1.2. The document brings together a range of empirical data from a variety of sources, in order to enable assessments and judgements about the level of housing that may need to be delivered in the parish up to the period 2031; and for this to be facilitated by policies in the emerging Neighbourhood Plan.
- 1.3. The document has been updated to reflect changes to national planning policy guidance, and feedback received from Horsham District Council (HDC) and CPC.
- 1.4. The CNP, once adopted, will comprise part of the Development Plan for this part of Horsham District. It will have a significant influence on the determination of planning applications within the parish, for amongst other things, new housing.
- 1.5. The CNP, must be prepared having regard to higher tier planning policies, including at a district and national level.
- 1.6. The current adopted Development Plan for Horsham District comprises the Horsham District Planning Framework (HDPF), Joint Area Action Plan and the Site Specific Allocations of Land 2007.
- 1.7. The HDPF sets out the planning strategy for Horsham District (excluding land within the South Downs National Park) to deliver the social, economic and environmental needs of the Plan area up to 2031. It sets out the policy framework and seeks to deliver 16,000 new homes over the Plan period of which ‘at least 1500’ are to be allocated through neighbourhood planning.
- 1.8. In preparation of the Cowfold Parish Housing Need Considerations document, regard has been paid to relevant higher tier planning guidance, including the HDPF and its evidence base. This has included the GL Hearn ‘Housing Need in Horsham District’ report dated March 2015 (HNiHD), and associated supporting background papers, such as the NLP Northern West Sussex Economic Growth Assessment Supplementary Report for Horsham dated April 2015.
- 1.9. Regard has also been paid to the ‘Housing Needs Assessment at Neighbourhood Plan Level, a toolkit for neighbourhood planners.’ This provides advice on developing a neighbourhood plan housing needs assessment. It sets out the types of data that should be taken into account and describes how assessment findings should be used.
- 1.10. Regard has also been paid to the latest advice from HDC, with respect to calculating house need at a parish level.
- 1.11. This document has been prepared having regard to a variety of methodologies which have been undertaken to consider housing need in the parish. It includes parish change between 2001 and 2011; household formation projection; trend based demographic projection; policy projection; policy trend based demographic projection; and economic projection. It includes methodologies that have been recommended by HDC.

- 1.12. The methodologies, both stand alone and in combination, result in a range of potential housing numbers. These have been considered together with evolving Government guidance, with respect to the influence of ‘market signals’,<sup>1</sup> the national standard methodology for calculating housing need, and the implications of the latest national household projections published in September 2018.
- 1.13. This has enabled recommendations to be set out with respect to a ‘housing need range’ for the parish of Cowfold up to 2031, to be facilitated through the CNP.

## **2. COWFOLD PARISH BASELINE DATA**

- 2.1. Cowfold is a predominantly rural parish. It lies to the south of Horsham, with the village of Cowfold at the intersection of the A272 and the A281.
- 2.2. The historic market town of Horsham lies 6.6 miles to the north, and Gatwick airport lies 16 miles to the north east. The parish is bounded by the parishes of Nuthurst to the north west, Lower Beeding to the north, Shermanbury to the south, West Grinstead to the west, and Bolney parish to the east. The latter lies within the district of Mid Sussex.
- 2.3. In preparing this document, empirical data on the parish has predominantly been sourced from published Census data from 2011. This shows that the total population of the parish at that time was 1904, with a total of 739 households.
- 2.4. This document sets out Housing Need Considerations for the parish over the period 2011 to 2031. This is to reflect the statistical period that is used by HDC in their housing need assessment, and reflects the plan period of the HDPF.
- 2.5. Research reveals that between 1st January 2011 and 31st October 2018 a total of 53 dwellings were permitted in the parish.
- 2.6. Research has also been undertaken into housing ‘completions’ in the parish since 2011. Given completions are only available on an annual basis, this document has been informed by the most up to date available information (i.e. 1st January 2011 - 1st March 2018). A total of 3 dwellings are recorded as having been completed between 2011 and 2017 within the parish.
- 2.7. For the avoidance of doubt, the 3 completions are in addition to, and separate from, those dwellings which are identified as having been granted planning permission.
- 2.8. In total therefore, 56 dwellings have either been permitted or completed in the parish between 2011 - 2018. Where relevant, these dwellings contribute toward the housing need consideration figures set out in this document.
- 2.9. Details of these completions and commitments are attached at Appendix 1.

---

<sup>1</sup> National Planning Policy Guidance Paragraph: 019 Reference ID: 2a-019-20140306 (archived since July 2018)

### 3. HOUSING NEED METHODOLOGIES

- 3.1. This report considers a variety of sources of empirical data and range of methodologies to enable an assessment to be made with regard to the Housing Need Considerations within the parish of Cowfold up to 2031.<sup>2</sup>
- 3.2. These methodologies have been prepared with regard to planning policy at a national and local level, and in light of feedback received from HDC.
- 3.3. The revised NPPF introduces a standard methodology to calculating housing need. The method takes the Government's household growth projections and applies an affordability ratio, comparing local house prices with workplace earnings, to produce a need figure.
- 3.4. The Government has given clear direction that Local Planning Authorities should also set out a housing requirement for designated neighbourhood plans. Paragraph 66 of the NPPF advises:

*"Where it is not possible to provide a requirement figure for a neighbourhood area, the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body."*

- 3.5. Representatives of the Parish Council discussed the potential to request an indicative housing number from HDC, to inform preparation of the Neighbourhood Plan. It is understood that as part of these discussions, HDC advised that any such indicative number would be calculated based on limited data currently available to the District Council. On this basis the Parish Council resolved not to request an indicative figure from the District Council. In light of this, the recommendations set out below are made without reference to the revised guidance of the NPPF.
- 3.6. The housing methodologies are predominantly determined for the period of 2011 - 2031. This reflects both the plan period of the HDPF, and the ONS statistical baseline data for the parish.<sup>3</sup>
- 3.7. Data provided by HDC and WSCC indicate that 56 dwellings have been permitted and/or completed in the parish between 2011 and October 2018. For a number of methodologies, it is appropriate to discount these completions and commitments from the 'headline' housing need figure. Where this discount occurs, it is noted.
- 3.8. Set out below is a summary of each methodology that has been undertaken, as part of the background work in determining an appropriate housing need range in the parish.
- 3.9. **Methodology 1 - Parish change between 2001 and 2011 Projection** - This methodology utilises parish population figures contained in both the 2001 and 2011 census to determine the population change over this ten year period.
- 3.10. This is then extrapolated over the twenty year period 2011 - 2031 to determine the number of new dwellings that would be required to facilitate this level of change, assuming it continues at the same rate.

---

<sup>2</sup> The end of the Neighbourhood Plan period

<sup>3</sup> The 2011 Census

- 3.11. Given that the methodology covers the twenty year period 2011 - 2031, it is appropriate to discount off the number of dwellings that have been completed/committed since 2011, to determine the residual need figure.
- 3.12. **Methodology 2 - Household Formation Projection** - This methodology utilises census data from 2001 and 2011 to determine the average household size both within Cowfold Parish, and Horsham District at those times. Office of National Statistics (ONS) projections are then used to determine the likely average household size change in the parish between 2011 and 2031.
- 3.13. This information is then used to calculate the number of new dwellings that would be needed to meet the needs of existing residents having regard to the likely change in household size.
- 3.14. This methodology assumes an overall static population between 2011 - 2031, and therefore solely considers housing need derived from change in average household size in the parish.
- 3.15. Given that the methodology covers the period 2011 - 2031, it is appropriate to discount the number of new dwellings that have been completed/committed since 2011, to determine the residual need figure.
- 3.16. **Methodology 3 - Trend Based Demographic Projection** - This methodology considers population projections by the ONS, as referenced in background housing papers that supported the HDPF<sup>4</sup>; ONS data for the projection of household formations; and more recent ONS population projections.
- 3.17. This data is then used, together with the conclusions under Methodology 2; with regard to potential changes to the average household size in the parish, to determine the number of new homes that would be required to be delivered within Cowfold up to 2031 to meet this trend based, demographic projection.
- 3.18. Given that the methodology covers the period 2011 - 2031, it is appropriate to discount the number of new dwellings that have been completed/committed since 2011, to determine the residual need figure.
- 3.19. **Methodology 4 - Strategic Housing Market Assessment** - This methodology considers the 'housing need' figure contained within the district commissioned Strategic Housing Market Assessment (SHMA) that informed the preparation of the HDPF, and was last updated in October 2014. HDC state that this document informed the Objectively Assessed Housing Need (OAHN) figure for the district in the HDPF of 12,720 homes (2011 - 2031).
- 3.20. This figure is then used to determine a 'fair-share' amount that should be delivered in Cowfold parish, by reference to the proportion of homes within the HDPF defined built-up area of Cowfold, as a proportion of the rest of the district.
- 3.21. Given that the methodology covers the period 2011 - 2031, it is appropriate to discount the number of new dwellings that have been completed/committed since 2011, to determine the residual need figure.

<sup>4</sup> GL Hearn HNiHD Assessment, March 2015

- 3.22. **Methodology 5A - Policy Projection** - This methodology considers the requirement set out in Policy 15 of the HDPF for ‘at least 1500’ new homes in the district over the Plan period to be facilitated through allocations in Neighbourhood Plans.
- 3.23. This figure is used to determine a ‘fair-share’ amount that should be delivered in Cowfold Parish, through allocation in the CNP. This is calculated having regard to the proportion of the parish population in relation to the rest of the district, excluding the settlements of Horsham, Southwater and Billingshurst, which are settlements that have been allocated for residential development through the HDPF.
- 3.24. Given that the methodology is seeking to determine the proportion of at least 1500 new homes that should be delivered through allocations in Neighbourhood Plans, no discount from the headline is applied for dwellings that have been completed/committed since 2011.
- 3.25. **Methodology 5B - Policy Projection - Settlement Hierarchy** - This methodology is an alternative iteration of Methodology 5A. It similarly seeks to determine a ‘fair-share’ amount of new housing that should be delivered in the parish through allocation in the CNP.
- 3.26. Under this methodology, the ‘fair-share’ figure is calculated having regard to the size of the settlement of Cowfold, relative to other settlements in the district.
- 3.27. Given that the methodology is seeking to determine the proportion of at least 1500 new homes that should be delivered through allocations in Neighbourhood Plans, no discount is applied for dwellings that have been completed/committed since 2011.
- 3.28. **Methodology 6 - Policy Trend-Based Demographic Projection** - This methodology considers population projections by the ONS, as referenced in background housing papers that supported the HDPF<sup>5</sup>; and the more recent ONS population projections.
- 3.29. The approach differs from Methodology 3, in that it applies a discount of the resulting housing need figure, having regard to the position of Cowfold within the settlement hierarchy as set out in the HDPF, and the associated Policy intent to direct more development to the district’s larger, more sustainable settlements.<sup>6</sup>
- 3.30. Given that the methodology covers the period 2011 - 2031, it is appropriate to discount the number of new dwellings that have been completed/committed since 2011, to determine the residual need figure.
- 3.31. **Methodology 7 - Economic Projection** - This methodology considers the number of new jobs that are projected to be delivered in the district over the plan period as detailed in HDPF and its supporting papers. This is then cross-referenced to data on the district and parish population and the economic activity rate of the population of the parish.<sup>7</sup>

<sup>5</sup> GL Hearn HNiHD Assessment, March 2015

<sup>6</sup> See Policy 3 and 4 of the HDPF

<sup>7</sup> Census data 2011

- 3.32. From this, it is possible to determine the number of new jobs that might be formed with parish over the plan period as a proportion of the rest of the district.
- 3.33. This information is then used, together with the conclusions under Methodology 2, with regard to potential changes to the average household size in the parish, to determine the number of new homes that would be required to be delivered within Cowfold up to 2031 to meet this economic based projection of housing need.
- 3.34. Given that the methodology covers the period 2011 - 2031, it is appropriate to discount the number of new dwellings that have been completed/committed since 2011, to determine the residual need figure.
- 3.35. The detail of these methodology calculations and the resulting housing need is set out at Appendix 2. A summary table of these calculations is provided at Appendix 3.

#### **4. WEIGHT TO BE ATTACHED TO METHODOLOGIES**

- 4.1. The methodologies produce a wide range of housing need. It is therefore appropriate to assess the figures to seek to determine a narrower range of need that it is appropriate to consider to facilitate in the CNP.
- 4.2. Methodology 1 is an extrapolation of housing growth figures within the parish between 2001 and 2011. Whilst this is helpful in showing historic growth, it does not, in itself provide a robust indication of housing need over the plan period. It is therefore considered that this methodology should carry modest weight.
- 4.3. Methodology 2 comprises an assessment and estimation of potential household formation rates within the parish as a mechanism for deriving housing need. However, this is predicated on a static parish population figure. It is therefore considered that this methodology should carry modest weight.
- 4.4. Methodology 3 applies available national statistics for population and household projections, prepared by the Office of National Statistics, for the district of Horsham. These, combined with estimations of average household size, enables housing need to be predicted. This methodology does not however, take account of spatial policies within the adopted District Plan. It is considered that this methodology should carry medium weight.
- 4.5. Methodology 4 provides a projection based on the OAHN for the district established through the HDPF and its background evidence papers. It applies a 'fair-share' approach for the parish of Cowfold based on the proportion of houses in the parish that are within the built-up area as a percentage of the overall OAHN figure. It is considered that this methodology should carry significant weight.
- 4.6. Methodology 5A and 5B apply a housing need calculation based on a 'fair share' approach to the requirement of 'at least 1,500 homes' to be provided throughout the district in accordance with the settlement hierarchy, allocated through neighbourhood planning. It applies close regard to the requirements of higher tier Development Plan policy. It is therefore considered that this methodology should carry significant weight.

- 4.7. Methodology 6 applies available national statistics for population projections, prepared by the Office of National Statistics, for the district of Horsham, tempered by the Development Plan spatial policy approach, reflected in the identification of Cowfold within the district settlement hierarchy as a ‘medium village.’ It is considered that this methodology should carry significant weight.
- 4.8. Methodology 7 provides an economic projection of need (as opposed to a demographic projection). This methodology does not however, take account of spatial policies within the adopted District Plan. It is therefore considered that this methodology should carry medium weight.

## 5. CONSIDERATIONS

- 5.1. Consideration has been given as to whether these calculations should be amended to take account of ‘market signals’ and/or the latest standard methodology for calculating housing need as set out in the NPPF (February 2019).
- 5.2. A summary of these issues is detailed at Appendix 4. This sets out the discussions with HDC regarding the relevance and application of ‘market signals’, and the conclusions of the Local Plan Examiner into the adjoining Mid Sussex District Plan on the application of market signals.
- 5.3. This concludes, that were an allowance to be made for ‘market signals’, this should result in an uplift of the housing need figure by 20%.
- 5.4. However, the application of market signals has been superseded in national planning guidance. In particular see National Planning Policy Guidance Paragraph: 019 Reference ID: 2a-019-20140306. This was archived in national planning guidance following the revisions to the National Planning Policy Framework published in July 2018.
- 5.5. The use of the application of the standard methodology to calculate housing need has been discussed with HDC. They have advised that, at this stage, they are not able to provide a housing requirement figure for the district, and so therefore they are also not able to provide a figure for designated neighbourhood areas, in accordance with the approach set out in paragraph 65 of the NPPF. This figure has yet to be calculated and the District have advised that Parishes do not wait for this information, but instead progress the preparation of neighbourhood plans based on a proportionate housing needs assessment, that reflects the requirements and spatial strategy of the Development Plan. As noted in paragraph 3.5 above, and for the reasons set out, the parish have not elected to request an indicative housing figure.
- 5.6. Having regard to the above, it is considered that a determination of a housing need figure for Cowfold up to 2031, can be determined by regard to a number of the methodologies detailed in this report. The merit of, and weight to be placed on, each methodology is detailed above.
- 5.7. Policy 15 of the HDPF requires ‘at least 1500 homes [to be delivered] throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning.’

- 5.8. Methodology 5A and 5B calculate a fair share of this figure for the parish of Cowfold. On this basis it is recommended that the CNP seeks to allocate a minimum of 29 - 44 dwellings. This should comprise allocations, and no discount of this figure should be applied for completions/commitments since 2011, nor should there be any allowance made for this figure to be met by contributions from 'windfall' development.
- 5.9. Alternative methodologies which should carry significant weight have had regard to population and household projections.
- 5.10. Methodology 4 is derived from an OAHN figure that HDC consider will meet its housing need, as determined from the evidence base that supported the HDPF. It applies a fair-share approach to calculate a proportionate quantum of housing that should be facilitated for delivery in Cowfold Parish, having regard to the scale of the settlement of Cowfold, relative to the rest of the district. This is calculated from a base date of 2011, and therefore is discounted by existing completions/commitments. This approach results in a residual housing need figure of 70 dwellings. This can be delivered by a mix of allocations (the proportion of which should be at least 29 - 44) and windfall development.
- 5.11. Methodology 6 is derived from ONS population projections, tempered by the identification of Cowfold as a 'medium' village in the HDPF settlement hierarchy; i.e. it blends empirical data projections with higher tier policy considerations.
- 5.12. This is calculated from a base date of 2011, and therefore is also discounted by existing completions/commitments. This approach results in a residual housing need figure of 69 dwellings. This can be delivered by a mix of allocations (the proportion of which should be at least 29 - 44) and windfall development.
- 5.13. Drawing this together, it is considered that minimum number of houses that should be allocated in the CNP is 29 - 44 homes. This would comply with the minimum requirements of Policy 15 of the HDPF. In the interests of being robust it is considered prudent to plan for the upper end of this range, i.e. 44 homes.
- 5.14. However, other methodologies, that should also carry significant weight, indicate that residual housing need is up to 70 dwellings. This can be met by a mix of allocations and policy support for certain windfall development.
- 5.15. On this basis, it is recommended that the housing need for Cowfold Parish, to be facilitated in the CNP should be 44 - 70 dwellings.
- 5.16. Given that no allowance has been made for market signals or the standard methodology, noting the first has been superseded, and the latter is not yet available, it is considered prudent to seek to plan for the upper end of the range.

## **APPENDIX 1**

### **(Cowfold Parish Council: Completions and Commitments 2011-2018)**

<b>Reference</b>	<b>Description</b>	<b>Address</b>	<b>NET Additional dwelling(s)</b>
DC/15/0957	Erection of 1 No. dwelling house, for an agricultural worker	Church Farm Henfield Road Cowfold West Sussex	1
DC/15/0909	Erection of new dwelling on site of former farm buildings and use of existing cottage as ancillary dwelling and associated landscape works	North Farm Long House Lane Cowfold Horsham West Sussex RH13 8AR	1
DC/15/0081	Development comprising 8 no dwellings, including conversion of 1st floor of former public house and associated outbuildings for 4 no flats/maisonettes and erection of 4 no three bedroom semi-detached houses, with associated vehicular access from Brook Hill, vehicle turning provision, 28. No car parking spaces (including 12 no for the residential dwellings) pedestrian access from The Street, and associated landscaping	The Coach House Horsham Road Cowfold Horsham West Sussex RH13 8BT	8
DC/14/2162	Construction of one five bedroom, two storey detached dwelling house	Furzefield House Horsham Road Cowfold Horsham West Sussex RH13 8BU	1
DC/14/1746	Change of use, refurbishment and associated alterations of Viscount House (a grade two listed building) from offices to residential use and demolition of the boarded timber extension (4-bed dwelling). Change of use, refurbishment and associated alterations to the rear stable block from office building to residential use (2-bed dwelling). Erection of a new 3-bed dwelling and new access off The Street (Full Planning)	Viscount House The Street Cowfold Horsham West Sussex RH13 8BW	3
DC/14/1478	20 new affordable dwellings comprising 4 one-bed (2 person) flats, 9 two-bed (4 person) houses and 7 three-bed (5 person) houses with parking and new vehicular and pedestrian access, including re-routing of public footpath	Land East of 14 and 15 Alley Groves Cowfold West Sussex	20
DC/12/0913	Removal of agricultural occupancy Condition 4 from planning permission CF/22/97 (Erection of an agricultural dwelling)	New Barn Farm Bolney Road Cowfold Horsham West Sussex RH13 8AZ	0

<b>Reference</b>	<b>Description</b>	<b>Address</b>	<b>NET Additional dwelling(s)</b>
DC/12/0139	Refurbishment of 1 and 2 Mockford Cottages with alterations to form a single dwelling, to include new central heating, electrical rewiring, removal of internal partitions to form kitchen, dining room and living room, removal of partitions at first floor to form new bathrooms, repairs and maintenance, replacement windows and damp proofing (Listed Building Consent)	Mockford Cottages Henfield Road Partridge Green West Sussex	0
		<b>Total additional dwellings permitted</b>	<b>50</b>

Prior Approval applications granted in Cowfold Parish between 01 April 2011 - 31 October 2018

<b>Planning Reference</b>	<b>Description</b>	<b>Address</b>	<b>Additional dwelling</b>
DC/15/0793	Prior Approval for Change of Use from Agricultural building to Class C3 Dwelling House (Class MB)	Coopers Christmas Tree Nursery Picts Lane Cowfold West Sussex RH13 8AT	Prior Approval Required and PERMITTED - 1 dwelling
DC/15/0142	Prior Approval of change of use from office B1 to dwelling C3	Palmerston House The Street Cowfold Horsham West Sussex RH13 8BP	Prior Approval GRANTED- 2 dwellings
		<b>Total additional dwellings permitted</b>	<b>3</b>

surveyYear	PAnumber	DistrictPlanningRef	SiteAddress	SiteTotal	Houses	OAPUnits	BuiltUnits	Losses
2011	CF015407		Unit 1 Marble Arte Dragons Lane Cowfold	1	1	0	1	0
2013	CF068612	DC/05/1025	New Barn Farm Bolney Road Cowfold Horsham	1	1	0	1	0
2014	CF111009	DC/10/0123	Chatfield Farm Brighton Road Lower Beeding	1	1	0	1	0
2017	CF079315	DC/15/0793	Coopers Christmas Tree Nursery Picts Lane Cowfo	1	1	0	1	0

**dowsettmayhew**

Planning Partnership

## APPENDIX 2

### (Methodologies)

## APPENDIX 2 - METHODOLOGIES

### 1. AFFORDABLE HOUSING

1.1. HDPF Policy 16 sets out an affordable housing requirement of 20% for housing development sites delivering 5-14 dwellings and 35% for housing development sites delivering 15 or more dwelling or sites over 0.5 hectares. The policy contains caveats in relation to financial contributions, in lieu of physical provision; and notes viability of developments might reduce the total affordable housing contribution. Since the publication of the HDPF, national planning guidance on affordable housing has been amended.

1.2. Since the publication of the HDPF, national planning guidance on affordable housing has been amended. Government Guidance<sup>1</sup> indicates contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm.

1.3. The NPPF (2018) paragraph 63 states:

*Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).*

1.4. The change in national policy is acknowledged by HDC. Whilst this is a material consideration, HDC currently consider that local evidence, which demonstrates a significant need for affordable housing in the district, is sufficient to outweigh the national planning policy threshold.

1.5. HDC further note that the independent Inspector who examined the HDPF specifically considered the issue of provision of affordable housing on smaller sites and concluded in his report:

*"the Council has requested that the original Policy 15 [now adopted as HDPF Policy 16] should stand and that MM13 [HDC's proposed amendments taking into account the then unchallenged Ministerial Statement] be withdrawn. Bearing in mind the sound economic justification for the policy as originally drafted and the clear need for affordable homes in Horsham, a substantial proportion of which could come from smaller sites, I consider that it would be appropriate to disregard MM13 and leave Policy 15 as submitted".*

1.6. On this basis, affordable housing across the District is being sought in line with Policy 16 of the HDPF.

1.7. The Parish Council have not undertaken an affordable housing needs survey and it is therefore unknown at this time what the level of affordable housing need is in the Parish.

1.8. The District Council hold a Housing Register which details the level of people who have expressed a need for housing in Cowfold.

### 2. METHOD 1 - PARISH CHANGE BETWEEN 2001 AND 2011 PROJECTION

2.1. The Census data of 2001-2011 reveals the change that has occurred within the Parish over this period, in terms of both population and household formation. This is detailed below:

- 2001 Census, Cowfold Parish: Total Population - 1864. Total Households - 725.
- 2011 Census, Cowfold Parish: Total Population - 1904. Total Households - 739.

---

<sup>1</sup> National Planning Policy Guidance Paragraph: 031 Reference ID: 23b-031-20161116, Revision date: 16 11 2016

- Increase in Population between 2001 & 2011: 2.1%
  - Increase in Households between 2001 & 2011: 1.9%
- 2.2. Based on this 10 year period of change, and assuming it continues at the same rate, it is possible to consider the housing need that would result over the period 2011 - 2031.
- 2.3. If the number of dwellings in the Parish continued to grow at the same rate as occurred between 2001 - 2011, over the period 2011 - 2031, there would be a need for **28 new dwellings**.
- 2.4. Given the above is based on 2001 and 2011 population data, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 2.5. Given the number of completions and commitments in the Parish since 2011, the housing need, has therefore been met.

### **3. METHOD 2 - HOUSEHOLD FORMATION PROJECTION**

- 3.1. The size of each household in the Parish, and any change to this, has a direct impact on the number of dwellings needed to serve any given population.
- 3.2. There is a long term trend in England of decreasing household size. This reflects socio and demographic profiles of an ageing population, and increasing independence of both the young and old.
- 3.3. The GL Hearn HNiHD assessment notes that household size has steadily fallen in the District from 1991 to 2011.
- 3.4. Census data from 2001 and 2011 reveals that:
- 2001 Cowfold Parish average household size: 2.57 people per dwelling.
  - 2011 Cowfold Parish average household size: 2.57 people per dwelling.
  - 2001 Horsham District average household size: 2.44 people per dwelling.
  - 2011 Horsham District average household size: 2.39 people per dwelling.
  - Average household size of new dwellings built in Horsham District between 2001 - 2011: 1.88 people per dwelling.
- 3.5. ONS projections from 2013 indicate that Horsham District is expected to see average household size decrease from 2.39 in 2011, to 2.22 in 2031. This would equate to a decrease in average household in size of some 7.11%.
- 3.6. The average household size in Cowfold Parish is larger than the Horsham District average. This would suggest that the type of housing delivered in Cowfold has tended to be larger, family sized dwellings, rather than smaller houses and flat developments.
- 3.7. From this information there are two scenarios which could reasonably be assumed to arise from changes to average household sizes.
- AHS1 - Projected reduction in average household size in Cowfold Parish, inline with projections for Horsham District; i.e a decrease in the average household size by 7.11%. This would equate to an average household size in Cowfold in 2031 of some 2.39 people per dwelling.

- › AHS2 - Projected average household size remaining unchanged from 2011. This would remain at an average household size in Cowfold of 2.57 people per dwelling.
- 3.8. Based on these projections, it is possible to estimate the number of additional dwellings required to meet the existing population of the parish:
- › AHS1 - would result in the need for an additional **58 new dwellings**.
  - › AHS2 - would result in the need for an additional **0 new dwellings**.
- 3.9. Given the above household formation projections are set against a baseline date of 2011, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 3.10. This therefore provides a residual need figure over the remainder of the plan period of:
- › AHS1 - **2 new dwellings**.
  - › AHS2 - **Housing need met**.

#### **4. METHOD 3 - TREND-BASED DEMOGRAPHIC PROJECTION**

- 4.1. The Office of National Statistics (ONS) produced population projections in 2014 for the whole of England & Wales. These are based on predicted growth levels. This data is available at a district level and is referenced in the GL Hearn HNiHD Assessment, March 2015. These ONS figures project a 13.2% population increase in the Horsham District to 2031. At the time of the 2011 Census, the population of Horsham District was 131,301. This would equate to a further 17,331 people living in the Horsham District, as at 2031.
- 4.2. If a 13.2% population growth were applied to the Cowfold Parish, this would equate to a population growth of 251 new people living in the Parish, and an overall population of 2155, as at 2031.
- 4.3. This projection can be combined with the household formation projections in Methodology 2 to provide the following housing need requirements:
- › TB1/AHS1 (average household size of 2.39): **163 new dwellings**.
  - › TB1/AHS2 (average household size of 2.57): **100 new dwellings**.
- 4.4. Given the above trend based demographic projections are set against a baseline date of 2011, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 4.5. This therefore provides a residual need figure over the remainder of the plan period of:
- › TB1/AHS1: **107 new dwellings**.
  - › TB1/AHS2: **44 new dwellings**.
- 4.6. The ONS have also produced household formation projections. For Horsham District, the number of households is projected to have increased by 2031, to 66,970. This is an increase of some 21.7% from 2011 figures.
- 4.7. If a 21.7% household formation growth were applied to the Cowfold Parish, this would equate to the need for an additional 160 new dwellings.

- 4.8. Since the 2014 projections, the Office for National Statistics, have published further population projections for 2016. The 2016 based subnational population projections for England, broken down to local authority and health authority level were released in May 2018.
- 4.9. This confirms, the populations of all regions in England are projected to grow by mid-2026; regions in the north of England are projected to grow at a slower rate than those in the south. The South East is expected to grow by 574,000 people (6.4%) over 10 years (mid 2016-mid 2026).
- 4.10. For Horsham, the 2016 based subnational population projection, mid-2016 to mid-2031 is 153,569. This is an increase of 22,268. This equates to an 17% population increase on the 2011 population (131,301).
- 4.11. If a 17% population growth were applied to the Cowfold Parish, this would equate to a population growth of 324 new people living in the Parish, and an overall population of 2228 as at 2031.
- 4.12. This projection can be combined with the household formation projections in Methodology 2 to provide the following housing need requirements:
  - TB2/AHS1 (average household size of 2.39): **193 new dwellings**.
  - TB2/AHS2 (average household size of 2.57): **128 new dwellings**.
- 4.13. Given the above trend based demographic projections are set against a baseline date of 2011, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 4.14. This therefore provides a residual need figure over the remainder of the plan period of:
  - TB2/AHS1: **137 new dwellings**.
  - TB2/AHS2: **72 new dwellings**.

## 5. **METHOD 4 - STRATEGIC HOUSING MARKET ASSESSMENT**

- 5.1. It is noted that in advising a number of parishes on calculating housing need, HDC have indicated consideration can be given to their Strategic Housing Market Assessment (SHMA). This is a key document relied upon by HDC in formulating the HDPF.
- 5.2. The SHMA was last updated by Chilmark Consulting in October 2014, and the ‘Housing Need in Horsham District’ was prepared by GL Hearn in March 2015. HDC advise that both documents are a key part of the HDPF evidence base.
- 5.3. HDC consider that this evidence was corroborated by the District Plan Inspector at the HDPF Examination; who ultimately concluded that the Objectively Assessed Housing Need (OAHN) for the district is 650dpa over the plan period. This is less than the 800dpa set out in Policy 15 of the HDPF, as the latter seeks to include delivery of 150dpa over the plan period to meet some of Crawley’s unmet housing need.
- 5.4. The ‘Housing Need in Horsham District’ identified an OAHN for the district over the plan period (2011-2031) of 12,720 homes.
- 5.5. HDC have advised other parishes that it is possible to calculate a ‘fair-share’ distribution of this figure for the purposes of neighbourhood planning. They have indicated that this should be based on calculating the proportion of dwellings in the defined built-up area of Cowfold (560) as a proportion of the total number of dwellings in the District (56,516) at the time of the last census (a

figure of 0.99%); and using this to derive a fair-share of the number of new dwellings that should be delivered in Cowfold Parish to contribute to the overall OAHN of 12,720 new homes. This equates to **126 dwellings**.

- 5.6. Given this methodology is based on housing need over the HPDF Plan period (2011-2031), it is considered reasonable to deduct the total number of completions and commitments in the Parish since the start of the HDPF plan period (2011). This is a figure of 56 dwellings.
- 5.7. This therefore provides a residual need figure over the remainder of the plan period of **70 new dwellings**.

## 6. **METHOD 5A - POLICY PROJECTION**

- 6.1. The HDPF sets out the planned housing growth within the District over the plan period 2011-2031, of a total of 16000 new homes.
- 6.2. Integral to this is at “least 1500” homes throughout the District, delivered in accordance with the settlement hierarchy, via allocations in Neighbourhood Plans (see Policy 15).
- 6.3. In assessing the likely distribution of this figure, it is assumed reasonable to exclude Horsham Town, Southwater and Billingshurst from contributing housing numbers, given their separate strategic allocations for new housing development within the same policy.
- 6.4. Based on this, it is possible to assess a “fair-share” distribution of the Neighbourhood Plan housing delivery figure within the parish of Cowfold.
- 6.5. There are two proposed ways of calculating this “fair-share” housing figure for Cowfold parish. Firstly, based on the number of households in Cowfold as a % of the “Remainder of Horsham District” (i.e. less Horsham Town, Southwater and Billingshurst); and secondly based on the population of Cowfold as a % of the “Remainder of Horsham District”.
- 6.6. Based on this approach, the following information is noted from the Census 2011:
  - Horsham District: Total Population - 131,301. Total Households - 54,923.
  - Horsham Town: Total Population - 48,212. Total Households - 20,587.
  - Southwater: Total Population - 10,730. Total Households - 3,840.
  - Billingshurst: Total Population - 8,232. Total Households - 3,452.
  - Remainder of Horsham District: Total Population - 64,127 (48.84%). Total Households - 27,044 (49.24%).
  - Cowfold Parish: Total Population - 1904. Total Households - 739.
  - Cowfold Parish population as a % of the Remainder of Horsham District population = 2.97%.
  - Cowfold Parish households as a % of the Remainder of Horsham District households = 2.7%.
- 6.7. Given the above data it is possible to calculate the ‘fair-share’ number of dwellings that would need to be delivered within the parish over the Plan period as:
  - Cowfold Parish fair-share against population = **44 new dwellings**.
  - Cowfold Parish fair-share against households = **40 new dwellings**.
- 6.8. The nature of this estimation is a requirement for the number of new dwellings that need to be “allocated” and therefore there is no discount of existing completions and commitments.

- 6.9. Furthermore, this methodology, does not include any allowance for housing coming forward via “windfall” development; i.e. sites which come forward for housing over the Plan period on unidentified sites.
- 6.10. Policy 15 of the HDPF makes a separate allowance for 750 dwellings within the District to come forward via windfall sites over the Plan period. Therefore in applying this policy projection methodology, any windfall housing development in the Parish over the Plan period, should not be counted to contribute to the “fair share” figure above; but rather should be counted as a contribution to the District’s 750 windfall development figure.

## **7. METHOD 5B - POLICY PROJECTION - SETTLEMENT HIERARCHY**

- 7.1. An alternative to this ‘policy projection’ methodology has been discussed between the Parish Council and HDC. This alternative methodology applies a similar ‘fair-share’ approach to determining the distribution of the ‘at least 1500’ housing figure, but uses considerations of the size of the settlement of Cowfold relative to other settlements in the District, rather than overall parish population/ household size.
- 7.2. Policy 3 of the HDPF categorises settlements into the district into a grouped hierarchy. This comprises ‘Main Town’ (Horsham), ‘Small Towns and Larger Villages’, ‘Medium Villages’, ‘Smaller Villages’, and ‘Unclassified Settlements’.
- 7.3. HDC note that the number of existing dwellings in a settlement has been used, in part, to determine the tier into which each settlement has been placed in the hierarchy in Policy 3 of the HDPF (in addition to other factors such as the provision of services and facilities).
- 7.4. Policy 15 of the HDPF subsequently requires *‘the provision of at least 1500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning’*.
- 7.5. HDC have advised that the number of houses in the defined built-up area of Cowfold can therefore be used to determine a “fair-share” of the number of dwellings the parish should plan to deliver of the ‘at least 1500’ figure.
- 7.6. HDC have advised that this calculation should be based upon the total number of dwellings that fall within the defined built-up areas of all of the settlements listed in Policy 3, but excluding Horsham Town and Broadbridge Heath.<sup>2</sup> HDC have advised that this amounts to 29,431 dwellings (of a total of 56,516 in the district).
- 7.7. The 2011 Census reveals that there are 560 dwellings recorded as falling within the defined built-up area of Cowfold. This equates to approximately 1.9% of the 29,431 dwellings.
- 7.8. Using this figure, it is possible to calculate the ‘settlement hierarchy fair-share’ number of dwellings that would need to be allocated within the parish for delivery over the plan period.
- 7.9. This settlement hierarchy fair-share figure for Cowfold equates to **29 new dwellings**.
- 7.10. It should be noted that this methodology relates to the Parish’s contribution to the “at least 1500” new homes to be delivered via site allocations in Neighbourhood Plans.
- 7.11. The nature of this estimation is a requirement for the number of new dwellings that need to be “allocated” and therefore there is no discount of existing completions and commitments.

---

<sup>2</sup> On the basis that North Horsham and Broadbridge Heath are not designated for neighbourhood planning and the unparished part of Horsham Town does not propose to allocate land for housing in their Neighbourhood Plan

- 7.12. Furthermore, this methodology, does not include any allowance for housing coming forward via “windfall” development i.e. sites which come forward for housing over the Plan period on unidentified sites.
- 7.13. Policy 15 of the HDPF makes a separate allowance for 750 dwellings within the District to come forward via windfall sites over the Plan period. Therefore in applying this policy projection methodology, any windfall housing development in the Parish over the Plan period, should not be counted to contribute to the “fair share” figure above; but rather should be counted as a contribution to the District’s 750 windfall development figure.

## **8. METHOD 6 - POLICY TREND-BASED DEMOGRAPHIC PROJECTION**

- 8.1. The population of the Horsham District is projected by the ONS 2014 figures to increase by some 13.2% by 2031. This would equate to an overall population within Horsham District of some 148,859 people. An increase to the population in Cowfold Parish of 13.2% would equate to a population of 2155 some people.
- 8.2. The HDPF proposes delivering some 16,000 new dwellings in the District between 2011-2031 at an average of 800 homes per annum.
- 8.3. HDPF Strategic Policy 2, envisages strategic developments in north Horsham of around 2,500 new dwellings, around 600 in Southwater and around 150 Billingshurst. The policy also identifies a strategic mixed use opportunity at the former Novartis site (Horsham) for employment, education and specialist housing at the equivalent of around 200 units.
- 8.4. The HDC Annual Monitoring Report (AMR) for the year 2016/2017, confirms that since 2011 there have been approximately 4,415 new dwellings completed in the district.
- 8.5. Given the extant and committed housing developments and those allocated in the HDPF, there is already a substantial proportion of the projected 16,000 new dwellings already accounted for.
- 8.6. However, Policy 15(4) requires “at least 1,500 homes” throughout the district in accordance with the settlement hierarchy to be allocated through neighbourhood planning to contribute to the district housing requirement. This is in addition to Policy 15(5) which requires 750 homes through windfall development.
- 8.7. The settlement hierarchy set out in Policy 3 of the HDPF identifies the main town of Horsham, together with eight “Small Towns and Larger Villages”; eight “Medium Villages”; and six “Smaller Villages”. It also notes there are a number of Unclassified Settlements.
- 8.8. Cowfold is identified as one of the eight “Medium Villages”. These are noted as settlements which have “a moderate level of services and facilities and community networks, together with some access to public transport. These settlements provide some day to day needs for residents, but rely on small market towns and larger settlements to meet a number of their requirements”.
- 8.9. Having regard to the identification of Cowfold within the overall settlement hierarchy, it is reasonable to assume that a greater proportion of the “at least 1,500” may be allocated to the “Small Towns and Larger Villages” settlements within the district through preparation of other neighbourhood plans.
- 8.10. Given the above information, it is considered reasonable that the following scenario's are considered for Cowfold Parish: (i) where the population is increased inline with the Horsham District (13.2%) projection; and (ii) where the population is increased by half that rate (6.6%), to reflect the

scale of Cowfold within District settlement hierarchy and (iii) where the population is increased inline with the Horsham District (17%) projection; and (iv) where the population is increased by half that rate (8.5%), to reflect the scale of Cowfold within District settlement hierarchy.

- 8.11. Method 3 detailed the results of how the projected Cowfold Parish population growth of 13.2% impacted against new housing need.
- 8.12. Given the Parish's position in the settlement hierarchy it is reasonable to consider the impact of a population increase of 6.6%.
- 8.13. D1 - Projected Cowfold Parish population growth of 6.6%, would equate to a population increase of 125 people (total population of 2029).
- 8.14. These demographic projections can be combined with, Method 2, household formation projections. This gives the following housing need requirements:
  - D1/AHS1 (average household size of 2.39): **110 new dwellings**.
  - D1/AHS2 (average household size of 2.57): **51 new dwellings**.
- 8.15. As this housing needs covers the period 2011-2031, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 8.16. This therefore provides a residual need figure over the remainder of the plan period of:
  - D1/AHS1: **54 new dwellings**.
  - D1/AHS2: **Housing need met**.
- 8.17. Method 3 also details the results of how the projected Cowfold Parish population growth of 17%, impacted against new housing need.
- 8.18. Given the Parish's position in the settlement hierarchy it is reasonable to consider the impact of a population increase of 8.5%.
- 8.19. D2 - Projected Cowfold Parish population growth of 8.5%, would equate to a population increase of 162 people (total population of 2066).
- 8.20. These demographic projections can be combined with, Method 2, household formation projections. This gives the following housing need requirements:
  - D2/AHS1 (average household size of 2.39): **125 new dwellings**.
  - D2/AHS2 (average household size of 2.57): **65 new dwellings**.
- 8.21. As this housing needs covers the period 2011-2031, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 8.22. This therefore provides a residual need figure over the remainder of the plan period of:
  - D2/AHS1: **69 new dwellings**.
  - D2/AHS2: **9 new dwellings**.

## 9. **METHOD 7 - ECONOMIC PROJECTION**

- 9.1. The HDPF and supporting information contained in the GL Hearn HNiHD Report, projects the delivery of the number of new jobs within the District per annum over the period 2011-2031. Based

on evidence arising from the first Examination in Public of the HDPF and the subsequent Inspectors observation on economic arguments, this is projected to be some 275 new jobs per annum. This would equate to a total of some 5,500 additional jobs in the District over the plan period.

- 9.2. The 2011 Census contains information about employment rates in Cowfold Parish and Horsham District.
- 9.3. For Cowfold Parish, the working age population (16-74), in 2011 was 1371. This equates to some 72% of the total population. Of this 1371, some 1085 persons were economically active and some 286 persons economically inactive (studying, retired, unable to work or unemployed). The economic activity rate of the total population was 57%. In 2001 the economic activity rate was 53%.
- 9.4. For Horsham District the working age population in 2011 was 94,318. This equated to some 71.83% of the total population. Of this 94,318, some 66,683 were economically active and some 27,635 economically inactive. The economic activity rate of the total population was 50.78%. In 2001 the economic activity rate was 50.22%.
- 9.5. From this, it is possible to calculate the proportion of new jobs that might be formed within Cowfold Parish; based on population and household data.
- 9.6. The population of the Remainder of Horsham District is 48.4% of the total district population. On a pro-rata basis, this would equate to the 134 new jobs per year being created within the remainder of Horsham District. Cowfold Parish population as a % of the remainder of Horsham District population is 2.97%. Based on a fair-share of the 134 new jobs, this would equate to **4** new jobs per annum for the Cowfold Parish.
- 9.7. The total households in the Remainder of Horsham District is 49.24% of the total households. On a pro-rata basis this would relate to the 135 new jobs per year being created in the Remainder of Horsham District. Cowfold Parish households as a % of the Remainder of Horsham District households is 2.7%. Based on a fair-share of the 135, this would also equate to **4** new jobs per annum for the Cowfold Parish.
- 9.8. On both measures, Cowfold Parish would need to deliver some **4** new jobs per annum which equates to **80** new jobs between 2011 and 2031.
- 9.9. From the economic activity rate, there are two broad scenarios:
  - E1 - Continuation of the current Cowfold Parish economic activity rate of approximately 57%. To deliver 80 new jobs in the Parish, this growth rate implies a population growth of **some 140 people**.
  - E2 - Between 2001 & 2011, the economic growth rate for Horsham District was increased by 0.56%. Applying this rate of growth would suggest a 2031 economic activity rate of some 57%. To deliver 80 new jobs in the Parish, this growth rate implies a population growth of **some 140 people**.
- 9.10. The economic activity rate of both scenarios implies an identical population growth is required to deliver the same number of new jobs in the Parish.
- 9.11. This population increase can then be cross referenced with the household formation scenarios to produce two potential housing growth scenarios.
  - E/AHS1: **116 new dwellings**.
  - E/AHS2: **56 new dwellings**.

- 9.12. As this housing needs covers the period 2011-2031, it is considered reasonable to deduct the total number of completions and commitments in the Parish since 2011. This is a figure of 56 dwellings.
- 9.13. This therefore provides a residual need figure over the remainder of the plan period of:
  - E/AHS1: **60 new dwellings.**
  - E/AHS2: **Housing need met.**

**dowsettmayhew**

Planning Partnership

## APPENDIX 3

### (Methodology Summary)

### APPENDIX 3 - METHODOLOGY SUMMARY

<b>Methodology</b>	<b>Number of new dwellings to be delivered</b>	<b>Completions &amp; Commitments deduction</b>	<b>Net new dwellings to be delivered from 2018 onwards</b>
Methodology 1	28 new dwellings	56 dwellings	Housing need met
Methodology 2: AHS1	58 new dwellings	56 dwellings	2 dwellings
Methodology 2: AHS2	0 new dwellings	56 dwellings	0 dwellings
Methodology 3: TB1/AHS1	163 new dwellings	56 dwellings	107 dwellings
Methodology 3: TB1/AHS2	100 new dwellings	56 dwellings	44 dwellings
Methodology 3: TB2/AHS1	193 new dwellings	56 dwellings	137 dwellings
Methodology 3: TB2/AHS2	128 new dwellings	56 dwellings	72 dwellings
Methodology 4:	70 dwellings	56 dwellings	14 dwellings
Methodology 5A:	40-44 new dwellings	N/A	40-44 dwellings
Methodology 5B:	29 new dwellings	N/A	29 dwellings
Methodology 6: D1/AHS	110 new dwellings	56 dwellings	54 dwellings
Methodology 6: D1/AHS2	51 new dwellings	56 dwellings	Housing need met
Methodology 6: D2/AHS1	125 new dwellings	56 dwellings	69 dwellings
Methodology 6: D2/AHS2	65 new dwellings	56 dwellings	9 dwellings
Methodology 7: E/AHS1	116 new dwellings	56 dwellings	60 dwellings
Methodology 7: E/AHS2	56 new dwellings	56 dwellings	0 dwellings

## APPENDIX 4

### (Market Signals)

## **APPENDIX 4 – MARKET SIGNALS, STANDARD METHODOLOGY FOR CALCULATING HOUSING NEED, AND UPDATED ONS HOUSEHOLD PROJECTIONS**

### **Market Signals**

- 1.1. Up until July 2018, National Planning Policy Guidance (NPPG) recommended the housing need number suggested by household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for, and supply of, dwellings.
- 1.2. NPPG advised relevant signals may include the following:
  - Land prices;
  - House prices;
  - Rents;
  - Affordability;
  - Rate of development; and
  - Overcrowding <sup>1</sup>
- 1.3. NPPG advised appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; in similar demographic and economic areas; and nationally.
- 1.4. It advised a worsening trend in any of these indicators would require upward adjustment to planned housing numbers compared to ones based solely on household projections. Guidance outlined volatility in some indicators required care to be taken; in those cases rolling average comparisons were noted as helpful to identify persistent changes and trends.
- 1.5. The NPPG advised in areas where an upward adjustment was required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.
- 1.6. Guidance confirmed market signals were affected by a number of economic factors, and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period. <sup>2</sup>
- 1.7. As part of the preparation of this Report, HDC were requested <sup>3</sup> to provide their most up to date data with respects to housing market signals within the Parish of Cowfold, and/or the wider district.

---

<sup>1</sup> National Planning Policy Guidance Paragraph: 019 Reference ID: 2a-019-20140306 (archived since July 2018)

<sup>2</sup> National Planning Policy Guidance Paragraph: 020 Reference ID: 2a-020-20140306 (archived since July 2018)

<sup>3</sup> Correspondence dated 7th February 2018

- 1.8. They advised that “*at the current time, the most up to date evidence in relation to market signals is the Strategic Housing Market Assessment which was published in 2014.*”<sup>4</sup> This information would have been used to inform the preparation of the HDPF.
- 1.9. However, it is noted that the recent Inspector of the Mid Sussex District Plan considered that this data is unlikely to be sufficiently up to date to take account of more recent house price trends.<sup>5</sup>
- 1.10. It is noted that the Inspector into the Mid Sussex District Plan gave consideration to the effect of market signals in calculating housing need. This is relevant both having regard to the proximity of Cowfold to the District of Mid Sussex, and more pertinently, that the Housing Market Area of Mid Sussex is the ‘Northern West Sussex Housing Market Area’ which also covers Horsham. On this basis, conclusions reached by the Mid Sussex District Planning Inspector in respect of housing market signals are considered to have validity in respect of this issue for the Parish of Cowfold.
- 1.11. On this basis, it is pertinent to note that the Inspector’s conclusion on market signals and the uplift effect it should have on housing need was that it should increase the ‘basic objectively assessed housing need figure’ by 20%. The Inspector concluded in his report of 12th March 2018 that this 20% uplift “*would be compatible with the ranges derived from the market signals work and the employment analysis, and I considered that it was the most well founded and most realistic figure for the OAN.*”<sup>6</sup>
- 1.12. Regard has been had to alternative approaches of seeking to derive an estimate of market signals including to such matters as house prices achieved on sales within the Neighbourhood Plan Area over the recent past. However, and as expressed by HDC in their response to the Government’s ‘Planning for the Right Homes in the Right Places’, it is considered that this data is unlikely to be robust having regard to the rural nature of the Parish (and wider district). This notes that it is likely that housing development in rural areas are at lower density and on larger plots, which can lead to overall higher property prices and have a significant skewing effect on the average house price, that is not in itself representative of demand more generally.<sup>7</sup>
- 1.13. For these reasons, it is not considered robust to place reliance upon local house prices in determining any response to market signal forces.
- 1.14. Having regard to the above, and were it considered reasonable to take account of market signals in determining overall housing need in Cowfold, it is considered an uplift of 20% would be appropriate.

## **National Standard Approach to Calculating Housing Need**

- 1.15. Between September - November 2017, the Government consulted on Planning for the Right Homes in the the Right Places. This set out a number of proposals to reform the planning system to increase the supply of new homes and increase Local Authority capacity to manage growth. Proposals included a standard method for calculating Local Authorities’ housing need.

---

<sup>4</sup> See HDC correspondence dated 18th March 2018

<sup>5</sup> See MSDP Inspector’s letter of 20th February 2017

<sup>6</sup> See paragraph 19 of Inspector’s Report of the Mid Sussex District Plan

<sup>7</sup> See HDC’s response to Q1A

It also included a ‘Housing need consultation data table’ which set out the housing need for each Local Planning Authority using the proposed method; how many homes every place in the country is currently planning for; and, where available, how many homes they believe they need. For Horsham District Council the indicative housing need was calculated at 974 dwellings per annum.

- 1.16. Horsham District Council responded to the Government’s consultation in November 2017, and raised concerns at the proposed methodology and that they considered that the housing calculation for Horsham was incorrect.
- 1.17. Given these concerns, a meeting was held in January 2018 to discuss the implications of HDC’s response and whether local housing need calculations in Neighbourhood Plans should take account of the national standardised proposed methodology.
- 1.18. In a subsequent exchange of correspondence, HDC advised in March 2018<sup>8</sup> that Neighbourhood Plans in relatively early stages of their plan making should undertake a proportionate housing needs assessment employing the AECOM methodology. This response set out support for the approach DOWSETTMAYHEW employed to support the Slinfold Neighbourhood Plan which was the subject of independent examination in January 2018.

## **Revised National Planning Policy Framework, July 2018**

- 1.19. The Government published the revised NPPF on 24th July 2018. With respect to calculating housing needs it introduced a standard methodology. The method takes the Government’s household growth projections and applies an affordability ratio, comparing local house prices with workplace earnings, to produce a need figure.
- 1.20. Paragraph 65 of the NPPF states:

*“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. 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. Once the strategic policies have been adopted, these figures should not need re-testing at the Neighbourhood Plan Examination, unless there has been a significant change in circumstances that affects the requirement.”*
- 1.21. The revised NPPF has given clear direction that Local Planning Authorities should also set out a housing requirement for designated Neighbourhood Plans.
- 1.22. Paragraph 66 of the NPPF states:

*“Where it is not possible to provide a requirement figure for a neighbourhood area, the Local Planning Authority should provide an indicative figure, if requested to do so by the Neighbourhood Planning body. This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the Local Planning Authority.”*
- 1.23. In light of the above and in the interest of supporting CPC prepare a robust Neighbourhood Plan, which is underpinned by an up-to-date evidence base, DOWSETTMAYHEW Planning Partnership, recommended an ‘indicative figure’ was requested from HDC.

---

<sup>8</sup> See letter dated 18th March 2018

- 1.24. Following a detailed discussion with HDC, the Chairman of the Neighbourhood Plan Working Group has advised, at this time, CPC do not wish ‘an indicative figure’ to be requested from HDC.
- 1.25. HDC have verbally confirmed that their previous advice remains unchanged. They do not request parishes to wait for HDC to advise on housing need. Informally CPC have been advised that a new calculated housing need figure for Horsham (and for each parish), prepared against the latest national planning guidance, as set out in paragraph 65 of the NPPF, is unlikely to be available until later in 2019.
- 1.26. In light of the above, this document does not include an estimate of housing need for the parish of Cowfold, based on an ‘indicative figure’ derived from the standard methodology to be calculated and advised by HDC.

### **Household Projections, September 2018**

- 1.27. The ONS published the latest household projections on 20th September 2018.
- 1.28. The publication of new household projections by the Office for National Statistics has led to a significant reduction in the overall numbers generated by the standard method for assessing local housing need.
- 1.29. The Government are currently consulting on proposed changes to the standard method to ensure consistency with the objective of building more homes, whilst providing the stability communities need. The consultation closes on 7th December 2018.
- 1.30. The Government considers that planning policy should respond flexibly and support the aspiration of supporting a market that delivers 300,000 homes. On this basis, the Government’s proposed response to the new ONS household projections is:
  - For the short-term, to specify that the 2014-based data provides the demographic baseline for assessment of local housing need;
  - To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and
  - In the longer term, to review the formula with a view to establishing a new methodology by the time the next projections are issued.
- 1.31. The Government have indicated that all other elements of the standard method of assessing housing need would, at this time, remain unchanged.