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Henfield Parish Council Housing Needs Assessment

FINAL REPORT

October 2017

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Quality information

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Glossary of terms used in text

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
AHNMU14	Affordable Housing Needs Model Update 2014
APRH	Affordable Private Rent Housing
BTR	Build to Rent
DCLG	Department for Communities and Local Government
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HDC	Horsham District Council
HDEP16	Horsham District Economic profile 2016
HDPF	Horsham District Planning Framework
HLIN	Housing Learning and Improvement Network
HNA	Housing Needs Assessment
HNHD15	Housing Needs in Henfield District 2015
HNSR	Housing Needs Survey Reports
HPC	Henfield Parish Council
LPA	Local Planning Authority
HRWL	Housing Register Waiting List
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
NWSHM	Northern West Sussex Sub-Regional Housing Market
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RTF	Rural Town and Fringe
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SHMAU12	Horsham Strategic Housing Market Assessment Update 2012
DCS	District Core Strategy
HDC	Horsham District Council
SMLPA	District Local Planning Authority
TTWA	Travel to work area

1. Executive Summary

Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area.

2. As more and more parishes, towns and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.

3. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.

4. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.

5. Our brief was to advise on data at this more local level to help Henfield Parish Council (HPC) understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

PPG-Based Assessment

6. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

Summary of Methodology

7. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.

8. In the case of HPC, the current adopted Development Plan, the Horsham District Planning Framework 2015 (HDPF) sets out the planning strategy for the Horsham District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the district.

9. In Policy 15, the HDPF sets a housing figure for the district to be delivered over the Plan Period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning.'[1]

10. One purpose of this study is to identify a housing number for Henfield that takes into consideration these numbers.

11. The targets set out in Policy 15 should be understood as the minimum number to be delivered over the plan period; for this reason, a number of projections are tabled that place the number derived from Local Plan policy into a context.

12. In addition, order to carry out this assessment, we reference a number of studies commissioned by the Horsham District Council. These are the Northern West Sussex Strategic Housing Market Assessment, May 2009 (SHMA09); the Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012 (SHMAU12) and the Northern West Sussex Housing Market Area – Affordable Housing Needs

[1] HDPF, page 56

Model Update (AHNMU14). Together these documents represent the evidence base supporting the LPA's housing policies, and are referred to collectively as the 'SHMA studies.'

13. The rationale for this recommended approach is that neighbourhood plans need to meet a number of Basic Conditions (tested through independent examination) to be 'made' by the LPA. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the District Core Strategy. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.[2]

14. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in HPC, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing quantity and characteristics.

15. The planning period of neighbourhood plans, where possible, should always be aligned with the relevant local plan; in the case of Henfield, this is 2017-2031.

Gathering and Using a Range of Data

16. The PPG states that:

'no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes'.

17. It continues*:*

'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance'.

18. In line with PPG, we have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data.

19. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.

20. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. This includes the Housing Needs Survey Report, April 2014 (HNSR) for Henfield Parish prepared by AirS in 2014; while three years old, this still provides indication of community views towards housing generally, and affordable housing in particular.

Focus On Demand Rather Than Supply

21. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that '*the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints*.'

[2] See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

22. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study[3].

Quantity of Housing Needed

23. We have estimated the quantity of housing needed in NPA derived from five different sources; these are:

- Horsham District Planning Framework 'settlement hierarchy' minimum derived figure (HDPF) 2011-31 generates a projection of **0 dwellings** over the plan period given that the projection for the area has already been satisfied;
- Horsham District Planning Framework 'district' minimum derived figure (HDPF) 2011-31 generates a projection of **529 dwellings between 2017 and 2031 or 38 homes per year (rounded);**
- Housing Need in Horsham 2015 (SHMA) - proportional share drawn from OAN produces a final target of **388 dwellings over the plan period, or 28 per year** (rounded);
- DCLG Household projections generate a re-based projection of dwellings **of 400, or 29 dwellings (rounded) per year over the plan period**; and
- A projection derived from homes growth between 2001 and 2016 of **301 homes over the plan period of 2017-2031.**

24. These dwelling number projections are illustrated in **Figure ES1** below.

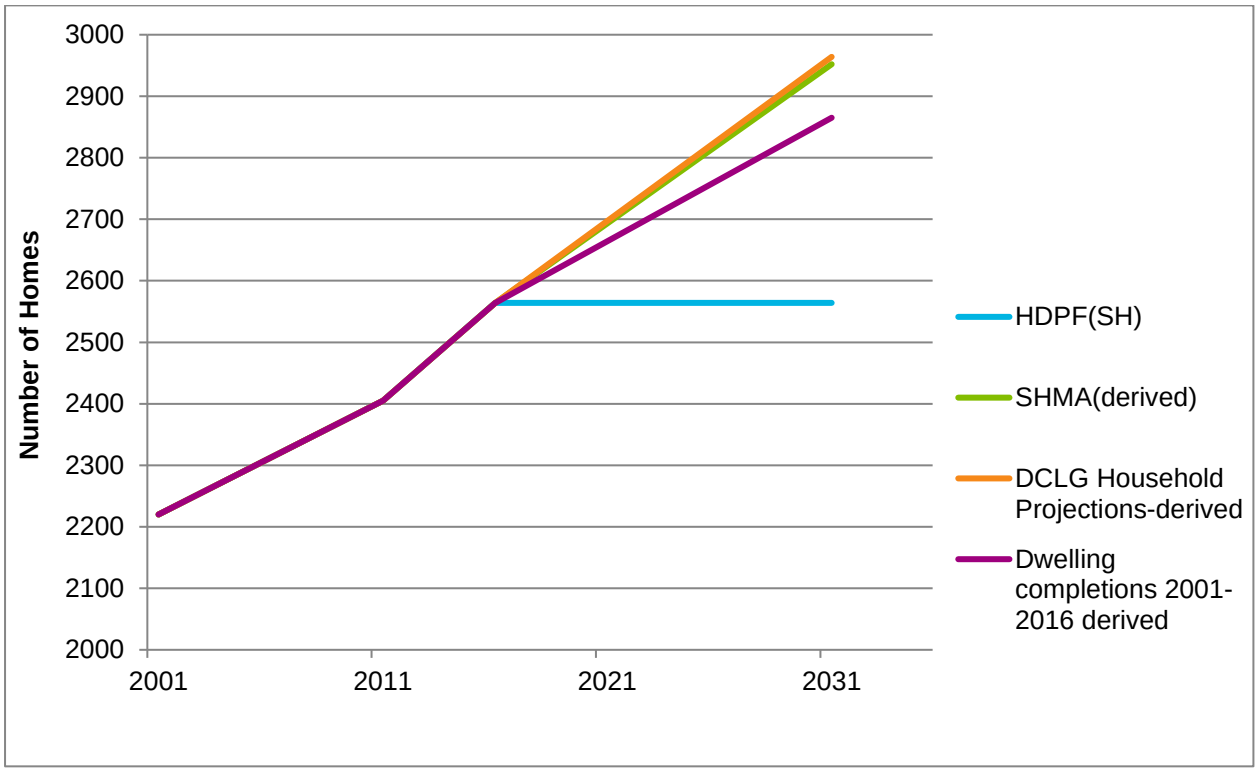


Figure ES1: Dwelling projections for the HPC NP Area, 2011-2031

Source: AECOM Calculations

25. **Figure ES1** above sets out the total number of homes factoring in each of the projections we have identified in Henfield. So, for example, factoring in DCLG derived data (the green line) to the number of dwellings that have already been built in the NPA between 2011 and 1st January 2016 (159) produces a total requirement

[3] Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DCLG, 4 October 2014, available at https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land)

that there should exist 2964 homes by the end of the Plan Period (combining existing completed dwellings, and new homes that are required to be built).

26. The starting point to arrive at an overall projection for housing numbers to be delivered in the NPA over the Plan Period is the average of the five projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded.

27. We have received explicit guidance from HDC that the Local Plan-derived housing target for Henfield should be taken from the 1,500 dwellings to be delivered through Neighbourhood Plans in accordance with the settlement hierarchy.

28. For this reason, we have excluded projection 2, derived from the 'district' minimum from our calculation (see paragraph 23 second bullet). This is because the rationale for using the housing target in the Local Plan as a starting point for a projection of housing need at the neighbourhood level is in order to remain in conformity with strategic policies set out in the Plan. Given the guidance received, it is reasonable to take the settlement hierarchy as the relevant figure number from which the projection for Henfield should be drawn. **The average of the remaining projections comes to 272 dwellings, or 19 dwellings per year over the Plan Period (rounded).**

29. Moreover, a further assessment applied to this initial projection indicates that market signals (for example the economic context in which the NPA sits, together with the performance of the housing market) are likely to impact on the numbers generated (**Table ES1**). We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.

Table ES1: Summary of factors specific to Henfield with a potential impact on neighbourhood plan housing

Factor	Source(s) (detailed in Chapter 5)	Possible impact on future housing need	Rationale for judgement
Employment trends	HNHD15, CtCSEP2014, HDEP16, SHMA09, Census 2001/11	↑↑	The area has been shown to have significant degree of home workers and newly registered businesses, both of which are currently increasing. Horsham also has the best survival rates for new businesses, which could mean further employment growth. In terms of larger-scale employment, the manufacturing sector has been shown to have a competitive locational advantage in Horsham, and the West Sussex Economic Area is also projected to see growth in retailing, financial/business services, distribution/transport, and public services. Supporting both of these areas of potential growth, Horsham has a strong skills base and well educated population, with fully 8% more of the population achieving a higher qualification compared with the national average. Furthermore, the area has significant numbers of commuters, and therefore demand for housing will be stimulated by economic growth in the wider Gatwick 'Diamond' region. This is particularly the case

			due to numerous priority growth locations in the Coast to Coast Local Enterprise Partnership area in commutable distance from Henfield. It has been established that these commuting patterns also extend into the Greater London Area, with the commuting distances experienced in the NPA consistent with this trend. As a result, an assessment of two up arrows has been deemed appropriate because of the emerging role of the Gatwick Diamond as an economic hub in the region, and of London as a whole, and thus the current strength and predicted future growth of employment opportunities in the local area.
Housing transactions (Prices)	SHMA09, Land Registry Price Paid Data for 2006-2016, HNHD15	↑	The Henfield NPA has been shown to have experienced a 23% increase in price paid data over a ten year period. The price paid varies significantly per housing typology however, and in particular, growth in flat prices has been low compared to other types. Generally, growth in house prices has been lower in Henfield than in Horsham and relative to some areas of West Sussex too. This may have been due to historically higher house prices in Henfield. As a result the assessment, one up arrow has been deemed appropriate due to the relatively low increases in house prices experienced in the NPA when assessed against the District.
Housing Transactions (Volume)	Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA09	↔	The levels of housing typologies sold in the Henfield NPA broadly matched the levels sold at the district level and of the existing stock. However, there is a higher volume in sales of terraced housing relatively compared with stock and a similar reduced volume in sales of flats compared with stock. These disparities in housing transactions are likely to cancel themselves out. This suggests there is no mismatch between the demand for different housing types within the NPA compared to the district level.
Migration and demographics	HNHD15, SHMA 2009, Census data 2001, 2011	↑	Given the significant migration to the area over the last 20 years from London and Brighton, it is reasonable to expect migration to continue, even where house prices make doing so more difficult for certain groups such as young families. For this reason, one up

			arrow is considered reasonable, given the growth in the economy of these two major cities in the South East.
Overcrowding and concealment	Census Data 2001, 2011	↔	The proportion of concealed families within the NPA (1%) is lower than the proportion found at the district level and lower than the national average (1.9%). There is no evidence to suggest an adjustment needed based on this indicator, particularly given the very small absolute numbers of concealed families and those living in overcrowded conditions in Henfield.
Rate of development	HDC, HNHD15 Land Registry Data/AECOM Calculations	↔	The local authorities in the Northern West Sussex Housing Market Area have significantly under-delivered against HMA targets. Horsham, however has been showing a strong housing market with a growing housing supply and in the year 2013/2014 Horsham did deliver more than the 800 homes set as an annual target. However, Henfield has seen a slowing in the number of housing completions in recent years since 2013. This could suggest that rate of development is a mixed picture but tends to be slowing recently. Taking the available data in the round, a neutral position is justified.

30. Market signals research has shown that Henfield is located within commuting distance of sites that offer some prospect for jobs growth over the Plan Period. If fulfilled, this will have an impact on the number of dwellings that should be built in the NPA on account of the need to house a growing population of working people. This is reflected in the balance of 'up' arrows to those arrows showing no movement of 4.

31. While we are mindful of these factors, we are also conscious that the 'settlement hierarchy' approach to the calculation of a housing target for the village which has been arrived at by the Local Authority seeking to adhere to the principles of sustainable development, suggests Henfield has already satisfied its housing target between 2011 and 2016.

32. It is important in preparing a HNA to take into consideration the policy context, and it is helpful that HDC has made its view clear that the 'settlement hierarchy' derived housing target should be given careful consideration. This is because general conformity with the Local Plan is, as previously remarked, a key principle governing neighbourhood plans. However, this needs to be weighed against the requirement for the HNA, in line with PPG, to arrive at an objective expression of need for housing. The rationale for this is to make clear the operation of policy seeking to increase or reduce the number of dwellings to be delivered in light of other evidence relevant to the supply of dwellings within a given geography (or indeed, political considerations).

33. For this reason, taking into consideration market signals evidence that indicates an increase in dwelling numbers to meet future need is appropriate, this HNA recommends **a housing target of between 272 and 285 dwellings to be delivered over the Plan Period.** The use of a range of numbers provides some flexibility, given the risks associated with the delivery of new homes.

Table ES2: Summary of local factors specific to HPC NP with a potential impact on housing Type

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion

Affordable Housing (AH)	HNSR, SHMA studies	25.9% feel the parish does not have the housing stock to meet their future needs, yet only 6.8% of households are eligible for AH. 14.4% of households currently occupy AH. Households with incomes below the mean of £47,000 per year are unable to afford entry level market properties 57% of households are currently reliant on private rented dwellings or some form of emerging 'intermediate' AH housing product, without taking account of savings or access to other forms of finance.	Those ineligible for AH but who cannot afford market housing, are presented with a choice of accepting unsuitable housing in Henfield, or moving from the area. The ratio of eligible households to AH stock suggests the supply of AH meet demand. Shared ownership is a realistic route to home ownership for those on median incomes, for example first time buyers. The evidence gathered does not support HPC developing its own AH policy, but does indicate the council's policy should be assertively implemented in the NPA. Of the AH quota secured through market housing development, 80% should be allocated to social rented housing and 20% to intermediate products.
Demand/need for smaller dwellings	Census, HNSR	The current housing stock exhibits a strong bias towards larger dwellings, and relatively few flats. Changes in the profile of the housing stock saw an increase in larger family dwellings. There exists a small number of concealed households and a larger group of non-dependent children living in the parental home.	Concealed households are unlikely to accept their housing conditions over the long-term, with many choosing to move to more affordable areas. This indicates that, unless Henfield is able to provide this housing in a timely way, over the years many newly forming households that would have chosen to live in the Parish will live elsewhere. The leakage of this demographic tier threatens the viability of local services, the ability of children to be active carers and the overall vitality of the settlement. Smaller dwellings of 2 and 3 rooms are needed to address the increase in the number of solo households, the growth in numbers of the elderly and the need to provide affordable homes for newly forming households.
Demographic change	Census, SHMA studies	Data shows an increase in the numbers of older people between 2001 and 2011	The increase in the proportion of the population accounted for by older people creates an imperative for housing policy to

		There is forecast to be a substantial increase in the number of solo households.	address their needs, for example dwellings of a manageable size and designed to be 'age-friendly.' The growth in solo households does not translate automatically into smaller homes. To take older people as an example, many wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay.
Family-sized housing	Census	Analysis of the Age Structure of the population of Henfield and the changes that have been identified indicate a family orientated community. Changes in the profile of the housing stock saw an increase in larger family dwellings. Data also suggests a clear family orientation with roughly a third of all households including children.	While the number of larger family homes forms an important part of the housing mix and should continue to do so, they do not represent a priority moving forward; indeed the evidence suggests an over-supply of medium sized family homes of 5 rooms.
Housing for independent living for older people	Housing Learning and Improvement Network (LIN)	An estimate of the increase in the number of people aged 75+ by 2031 stands at 187 individuals.	This estimates, using LIN's housing calculator produces the following additional housing : conventional sheltered housing units = 11 (rounded); leasehold sheltered housing units = 22 (rounded); 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = 4 (rounded); extra care housing units for rent = 3 (rounded); extra care housing units for sale = 6 (rounded); specialist dementia care homes = 1 (rounded)
Tenure of housing	Census	The bulk of the housing stock is in owner occupation, suggesting a deficiency of housing for those on modest incomes.	Given affordability analysis and the profile of housing tenure in the NPA, points to demand for tenures across all types; policy intervention is justified in the need for both social housing and tenures suited to those on household incomes around the mean, that is private rented dwellings, shared equity, discounted market products.

Recommendations for next steps

34. This neighbourhood plan housing needs assessment has aimed to provide HDC with evidence on housing trends from a range of sources. We recommend that HPC should, as a next step, discuss the contents and conclusions with HDC with a view to formulating draft housing policies, and crucially the numeric level of need for new housing in the NP area, bearing the following in mind:

    - Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
    - the views of HDC – particular in relation to the housing need figure that should be adopted;
    - the views of local residents;
    - the views of other relevant local stakeholders, including housing developers;
    - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the HDC, including but not limited to the SHLAA; and
    - the recommendations and findings of this study.

35. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

36. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

37. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

38. At the same time, monitoring ongoing demographic or other trends in the factors summarised in **Tables ES1 and ES2** would be particularly valuable.

2. Context

2.1 Local context

39. Henfield is a large village and civil parish within the District of Horsham and county of West Sussex. It is situated approximately 9 miles from Brighton, 35 miles from Portsmouth, and 40 miles from London. The River Adur, which runs south to the English Channel at Shoreham-by-Sea, lies to the west of the village and its tributaries also surround the village itself. Henfield is bisected by the A281 which runs north-south through the village, and forms part of a fork to the south with the A2037 and part of a fork to the north with the B2116.

40. Four miles to the north-east of Henfield is High Weald Area of Outstanding Natural Beauty (AONB), which is a 564 square mile mosaic landscape including areas of ridges, woodland, and agricultural land. Henfield is also around two miles north of the South Downs National Park, which is 618 square miles of chalk hills, heathland, ancient woodland and market towns. In Henfield itself is St. Peter's Church, which has been documented back to as far as 770AD and is one of four Grade II* listed buildings and structures in the village. The village also has 104 Grade II listed buildings and structures.

41. Agriculture plays a significant role in Henfield, with high quality agricultural land in the parish. There are also a range of employment uses including a mixture of shops, and a smaller number of industrial and commercial sites. The village also has sports, social and religious facilities which can accommodate a mix of ages.

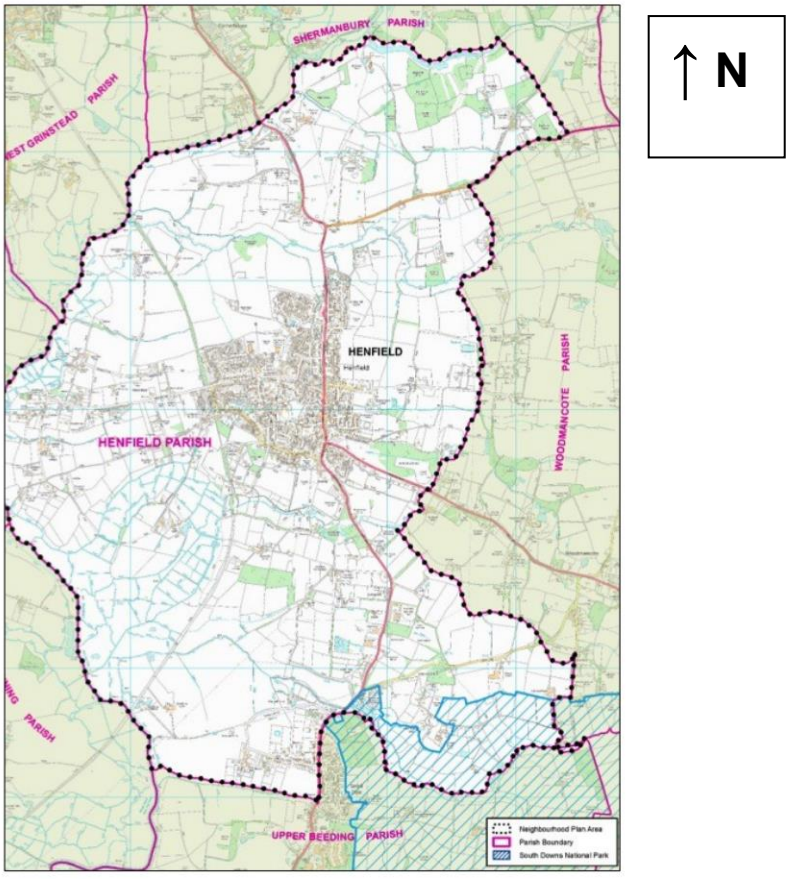


Figure 1: Henfield Neighbourhood Plan Area
Source: HDC

42. The neighbourhood plan area is shown in Figure 1 above, and extends out to the River Adur to the west, to one of its tributaries to the east, past the B2116 to the north, and includes some of the South Downs National Park to the south.

43. For the purposes of this study, census data was downloaded from both the 2001 and 2011 Censuses to contribute to an assessment of the housing needs in the area. Whilst the 2011 Census data can be filtered down to the Parish level, thereby ensuring exact accuracy, 2001 Census data is grouped

according to a series of other geographical areas or units rather than parishes, which are known as Output Areas (OAs), Lower Layer Super Output Areas (LSOAs), and Medium Layer Super Output Areas (MSOAs). As such, to find the appropriate 2001 Census data for the entire parish, a combination of these needs to be used. In the case of Henfield, this requires three LSOAs and one OA (as shown in Figure 2 belowError! Reference source not found.Error! Reference source not found.).

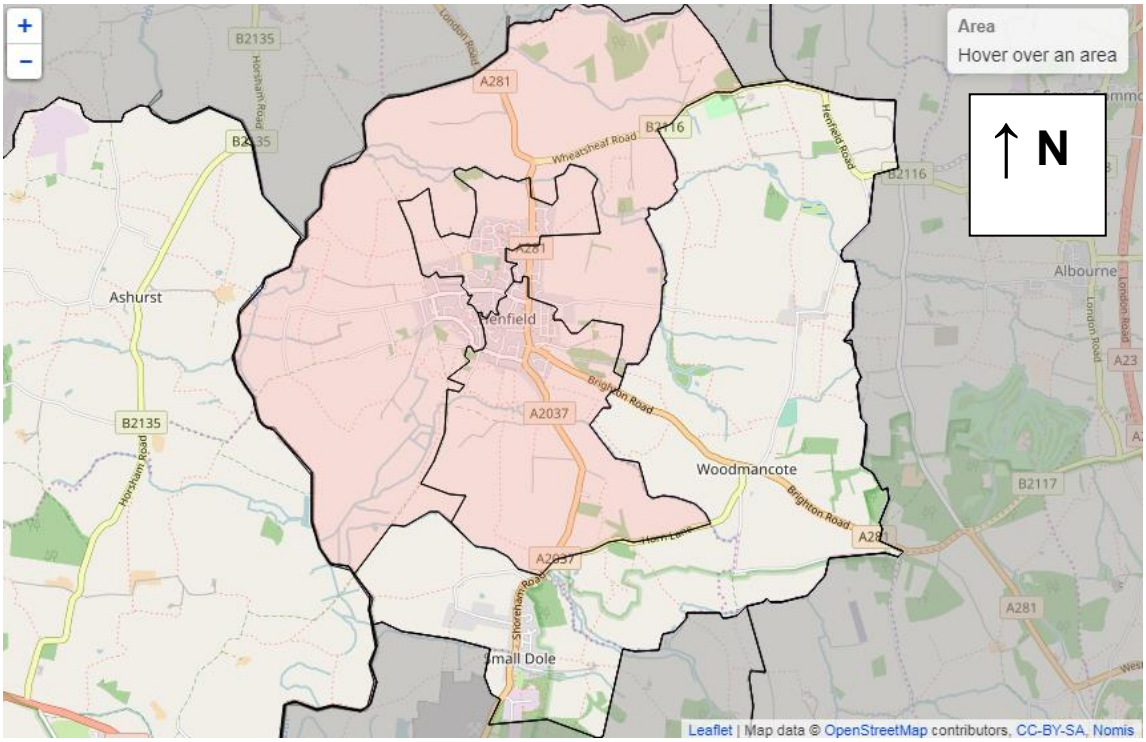


Figure 2: 2001 Census LSOAs for the Henfield Neighbourhood Plan Area (E01031641, E01031642, and E0103163)

Source: http://www.nomisweb.co.uk/

44. Figure 2 Error! Reference source not found.above shows that while three LSOAs (E01031641, E01031642, and E0103163) match up with the majority of the Henfield Neighbourhood plan area, the rest of the plan area falls only partially within another LSOA. Therefore, a different set of geographies must be used for the other LSOA to match the plan area.

45. Figure 3Error! Reference source not found. below shows that one OA (45UFGD0004) matches the southern section of the neighbourhood plan area, but the rest of the OAs for the LSOA are not part of the parish area.

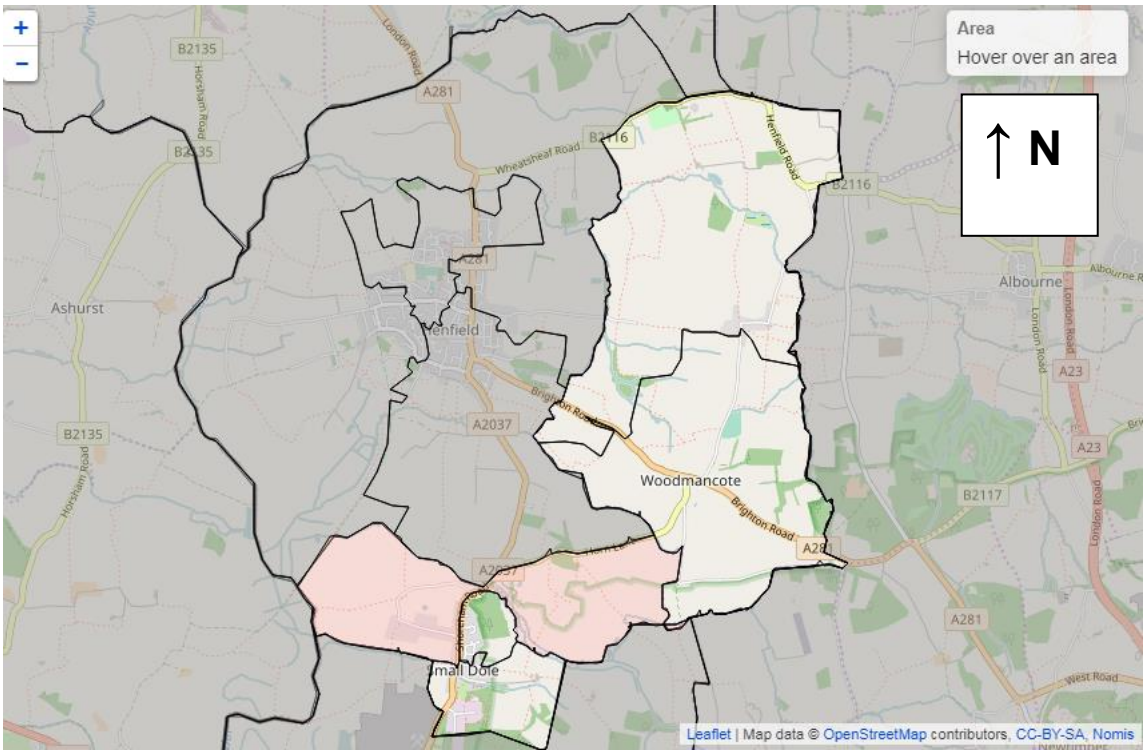


Figure 3: 2001 Census OA for the Henfield Neighbourhood Plan Area (45UFGD0004)
Source: http://www.nomisweb.co.uk/

2.2 Planning policy context

46. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.

47. The Horsham District Planning Framework (HDPF) (excluding South Downs National Park), adopted in 2015, is the most up to date local plan for the area. The 2015 Framework replaced the Core Strategy and General Development Control Policies adopted in 2007.

48. The HDPF 2015 sets out the planning strategy for the Horsham District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the plan area.

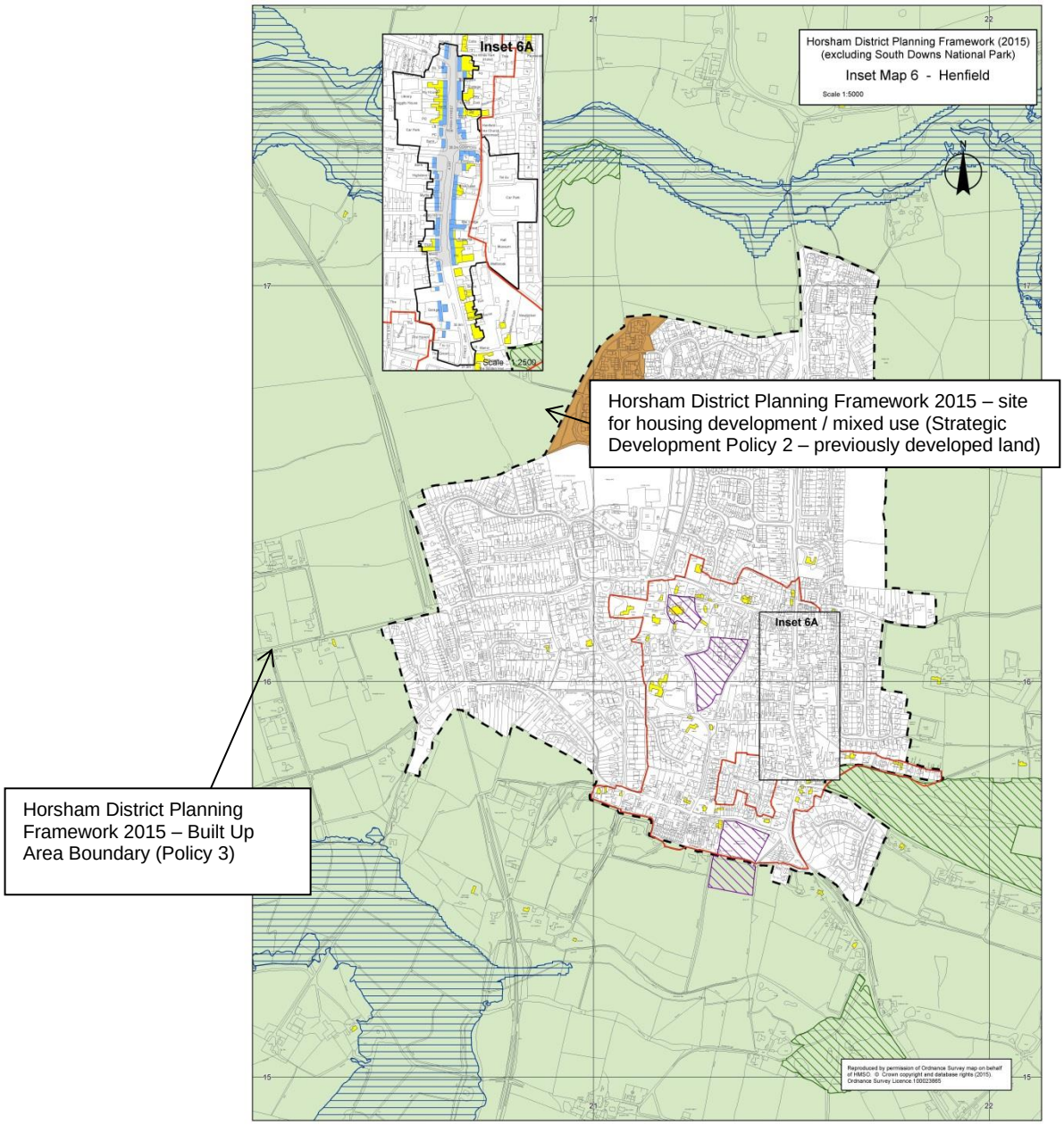


Figure 4: Henfield inset map from the Horsham District Planning Framework Policies map, with AECOM annotations to highlight relevant plan policies

Source: https://www.horsham.gov.uk/__data/assets/pdf_file/0011/28586/Inset6_Henfield_2015.pdf

49. **HDPF Policy 2 'Strategic Development'** which sets out that the focus of development in the district will support development which protects the rural character and existing landscape through the principles of sustainable development, whilst providing for the varied housing needs of the community.

50. **Policy 3 'Development Hierarchy'**, which put in place a clear hierarchy of settlements in the district which underpins the principle that development takes place in a manner that ensures that the settlement pattern and the rural landscape character of the District is retained and enhanced, but still enables settlements to develop in order for them to continue to grow and thrive. It also the mechanism by which this will be achieved is through the designation of built-up area boundaries and the planned expansion of existing settlements through the Local Plan or Neighbourhood Planning. Within this boundary, development is accepted in principal, whereas outside of it, development will be more strictly controlled. Emphasis is placed on the use of a Settlement Sustainability Review to ensure that development is of a scale that both retains the character and role of the settlement in terms of the range of services and facilities there as well as community cohesion.

51. **HDPF Policy 4 'Settlement Expansion'** sets out the conditions with which settlement expansion will be supported in the District. This includes support for sites which although are outside the built-up area boundaries, are allocated in the Local Plan or Neighbourhood Plan and are adjacent to an existing settlement edge. Development would need to be of an appropriate scale and function. It would also need to be able to meet identified local housing and/or employment needs, or to enhance community facilities. Development will also be supported if it maintains and enhances landscape and townscape character features and does not conflict with the development strategy.

52. **HDPF Policy 9 'Key Employment Areas'** seeks to protect employment uses whilst enabling development, using a sequential approach to development the management process within Key Employment Areas. It clarifies that proposals in such areas must not result in the overall loss of employment floor-space. Proposals outside of Key Employment Areas must demonstrate the premises are no longer needed and/or viable for employment use should floor-space of this kind be reduced.

53. **HDPF Policy 15 'Housing Provision'** which establishes the need for 800 homes per year to be built, or 16,000 homes over the period to 2031, to meet the demand created by growth in the economy of the Gatwick Diamond economic area, and inward migration to Horsham as a result of its attractive quality of life and growing local economy. This target will be supported by completions between 2011 and 2015 when the plan was adopted, homes already permitted or agreed for release, three strategic sites, the allocation of "1500 homes…through Neighbourhood Planning", and 750 windfall units.

54. **HDPF Policy 16 'Meeting Local Housing Needs'** seeks to achieve a mix of housing sizes, types and tenures to meet established local housing needs, subject to the existing character of neighbourhoods and individual scheme viability. It does so by requiring all residential developments of between 5 and 14 dwellings to provide 20% affordable, or a financial contribution where this is deemed is not deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings. These provisions will also apply to sub-divided sites in a way which ensures the same amount of affordable housing is achieved as if they were not sub-divided. All of these policies will be subject to viability, as well as assurances that local housing needs as set out in the latest SHMA are met. The framework also notes that "the council will support schemes being brought forward through Neighbourhood Plans".

55. **HDPF Policy 17 'Exceptions Housing Schemes'** enables rural, Greenfield sites near to settlement boundaries to come forward for development to meet local housing needs. This is considered acceptable where: no suitable alternatives exist within the locality to meet the need; that the need is in a single parish or its immediately adjoining parishes within Horsham District; that the needs relate to existing residents in unsuitable accommodation or needing separate accommodation in the area (excluding existing owner occupiers); people whose work provides important services and who need to live in the parish; people who may no longer be resident in the parish but have longstanding links with the local community; and people with the offer of a job in the parish who cannot take up the offer because of a lack of affordable housing. A further condition is that the development must "provide subsidised housing in perpetuity which will normally be managed by a provider that is registered with the Homes and Community Agency."

56. **HDPF Policy 18 'Retirement Housing and Specialist Care'** states that "proposals for development which provide retirement housing and specialist care housing will be encourage and supported" where they are accessible from existing settlements and where they cater to those on lower incomes. Large scale retirement communities will also be supported in appropriate locations, provided they accommodate a range of needs, include some affordable provision or an appropriate financial contribution, and contribute "appropriate services and facilities".

57. **HDPF Policy 19 'Park Homes and Residential Caravan Sites'** which states that provision of park homes and caravans will be supported so long as: they meet local housing needs and are marketed locally for a reasonable period of time, that they are used for permanent accommodation, and that flooding, drainage and ground engineering are not significant barriers to their development. Proposals to convert these to permanent housing or holiday accommodation will not be supported in the face of housing need, whilst conversion of existing holiday accommodation will have to meet the same criteria as new building of this type, and must not harm nearby occupiers and users amenity or damage the environment.

58. **HDPF Policy 20 'Rural Workers Accommodation'** states that housing for rural workers to support the rural economy will be supported outside of the defined built-up area. This would be the case

provided that it is functionally required, its occupation supports the established business use, and that evidence is submitted to demonstrate the viability of the rural business for which the housing is required.

59. **HDPF Strategic Policy 21 'Gypsy and Traveller Sites Allocations'** which states "Provision shall be made for 39 net additional permanent residential pitches for Gypsies and Travellers within the period 2011 – 2017", and that the council will make provision for Gypsy, Traveller and Travelling Showpeople (GTTS) over the rest of the plan period. It allocates four sites for this purpose, delivering a total of 29 pitches, and notes sites with existing planning permission for a further 13 pitches.

60. **HDPF Policy 22 'Gypsy and Traveller Sites'** states that existing sites for GTTS will be safeguarded from development preventing their use for that purpose, unless they are no long required to meet identified need. It notes that the provision of sites to meet that need beyond 2017 will be identified in a Site Allocations Development Plan Document. It also notes that further sites may be provided: on windfall sites; by extending existing sites; by redeveloping existing sites; by allocating further sites within strategic developments sites or as standalone allocations; on publically owned land, both publically managed and for purchase by GTTS. The council also states that it will "work with neighbouring authorities to make appropriate provision to meet the requirements for Gypsies and Travellers."

61. **HDPF Strategic Policy 23 'Gypsy and Traveller Accommodation'** sets out the criteria for determining the allocation of land for GTTS and assessing planning applications for this purpose. The criteria include: barriers to development such as flooding or ground engineering issues; safe and convenient vehicle and pedestrian access; proper utility servicing and size of site to accommodate amenities; location in or near existing settlements, or part of an allocated strategic location within reasonable distance of local services; and that the development does not have an unacceptable impact on the character and amenities of neighbours and is sensitively designed. Furthermore, it takes the view that "in assessing sites for Travelling Showpeople, or where mixed uses are proposed, the site and its surrounding context must be suitable for mixed residential and business uses, including storage required and/or land required for exercising animals", and does not have adverse impacts on neighbours in the same way as above.

62. **HDPF Policy 42 'Inclusive Communities'** states the need for positive measures to work towards a socially inclusive environment for a mix of occupiers and meet their long term needs. It sets needs to be taken into account particularly, including: the needs of an ageing population especially regarding housing and health; people with additional needs such as the disabled; and the needs of minority groups within the district including GTTS.

3. Approach

3.1 Research Questions

63. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.

Quantity

64. In the case of Henfield, Horsham District Planning Framework (HDPF) sets a figure for dwellings to be delivered over the Plan Period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning.' The purpose of this HNA is to identify Henfield's 'fair share' of this Local Authority housing figure.

65. Research Q1, 'What **quantity of housing** is appropriate for the Neighbourhood Plan Area?

66. In addition to the question of quantity, is it important to break this down to enable policy to be developed that reflects community need. This question relates to the tenure, type, size of dwellings together with the requirement for 'specialist' housing suited to the needs of niche groups. The key research questions can be summarised as follows,

Tenure

67. HPC recognise a need for affordable housing in the area; the study should therefore consider the suitability of Local Plan policy as regards affordable housing for the NPA, and the affordable housing tenures this should comprise so as to meet housing need.

68. Research Q2. 'What **affordable housing** (social housing, affordable rented, shared ownership, intermediate rented) and market housing tenures should be included in the housing mix?'[4]

69. Research Q3. 'What type of **market housing** (private rented and housing for sale) should be included in the housing mix?'

Type

70. There is a concern within HPC of a shortage of dwellings suitable for young people, in addition, there is a need among older people to downsize.

71. Research Q4. 'What **type and size** of dwellings are suited to the following categories: older people first time buyers and young families.'

3.2 Study Objectives

72. The objectives of this report can be summarised as:

- Collation of a range of data with relevance to housing need in HPC relative to Horsham District Council;
- Analysis of that data to determine patterns of housing need and demand; and
- Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

2.1.1 The Housing Market Area

73. Before answering these research questions, it is necessary to describe the sources from which we draw our evidence. The PPG states that plan-makers can refer to existing secondary data to inform

[4] HDC comment: 'It is envisaged the NP will not set its own AH policy and the emerging NP will be in conformity with the HDPF. The assumption is this report reflects the HDPF position in terms of AH. The HDPF advocates tenure split 70:30 between social/affordable and intermediate/shared ownership (Para 6.8 HDPF). However it is acknowledged where there are parts of the local community where the NP can intervene in terms of addressing local issues like an aging population through the provision of appropriate housing schemes through site allocations (this is more related to RQ4), there is evidence to supports this but this should not be contrary to the Council's AH position.' (Norman Kwan, HDC, 24/08/17)

their assessment of housing need[5]; such sources include relevant reports commissioned by the local planning authority. In the case of the Henfield HNA, we refer to a number of documents (the 'SHMA studies') which together provide the evidence base for the housing policies contained in the current adopted Local Plan, the Horsham District Planning Framework (HDPF). These documents are listed below:

74.

- Northern West Sussex Strategic Housing Market Assessment, May 2009 (SHMA09)
- Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012 (SHMAU12)
- Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update (AHNMU14)
- Housing Need for Horsham District, 2015 (HNHD15)

75. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA) that the SHMA studies treat as their subject area can be used as a proxy for the NPA. This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are shared with Henfield. Shared characteristics do not arise by chance, but emerge as a result of internal linkages fundamental to the notion of the 'housing market area' (HMA).

76. PPG defines an HMA as a geographical area 'defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.'[6] It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types or economic development has the same appeal to different occupants.'[7]

77. PPG therefore sets two principal tests for identifying a functional HMA: patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment,' the degree to which household moves are contained within a certain geographical area, and the second by 'travel to work areas.' The SHMA09 notes that it is generally assumed that around 70% of household moves will be contained within a functional HMA[8].

78. SHMA09 uses these tests to identify of housing markets at the district level. Two main markets emerge in West Sussex; these are illustrated in Figure 5 below (which reproduces SHMA09 Figure 2.26). One, labelled the Northern West Sussex Sub-Regional Housing Market (NWSHM), extends south to Haywards Heath and Burgess Hill, to East Grinstead, Horley and west/south west to Billingshurst, Petworth and Pulborough. As we have seen, Henfield is located at the junction of the A281 and A2037, on the very edge of the NWSHM. The other is the coastal urban area extending to Chichester in the west and Worthing and Lancing to the east.

[5] PPG Paragraph: 014 Reference ID: 2a-014-20140306
[6] Planning Practice Guidance Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014
[7] Planning Practice Guidance Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014
[8] SHMA09, page 16

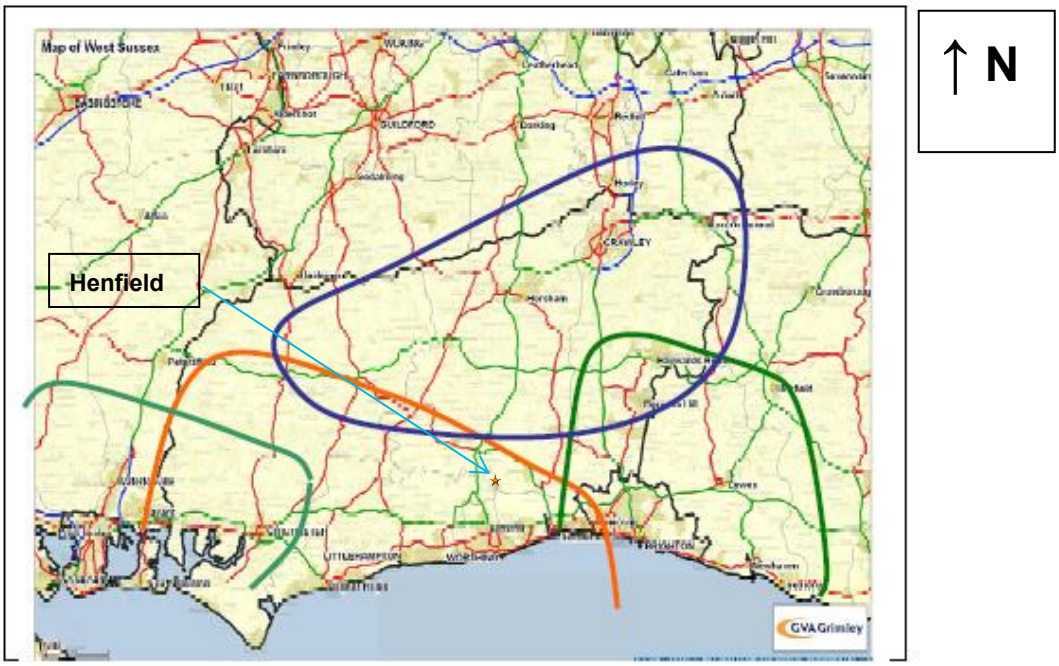


Figure 5: Defining Housing Market Areas and Areas of Market Overlap

Source: GVA Grimley/SHMA09

79. While this data suggests Henfield 'belongs' to NWSHM, TTWA data indicates a strong relationship with Brighton. Using 5% and 10% travel to work thresholds to denote secondary and primary 'areas of influence' respectively, the SHMA09 identifies a number of economic centres. Below, as **Figure 6** we reproduce Figure 2.14 from SHMA09; this shows Brighton and Hove TTW Catchment Area. Henfield falls into Brighton's secondary TTW catchment area. This denotes that trends within the housing market in Brighton will, to some degree, have an impact on those in Henfield.

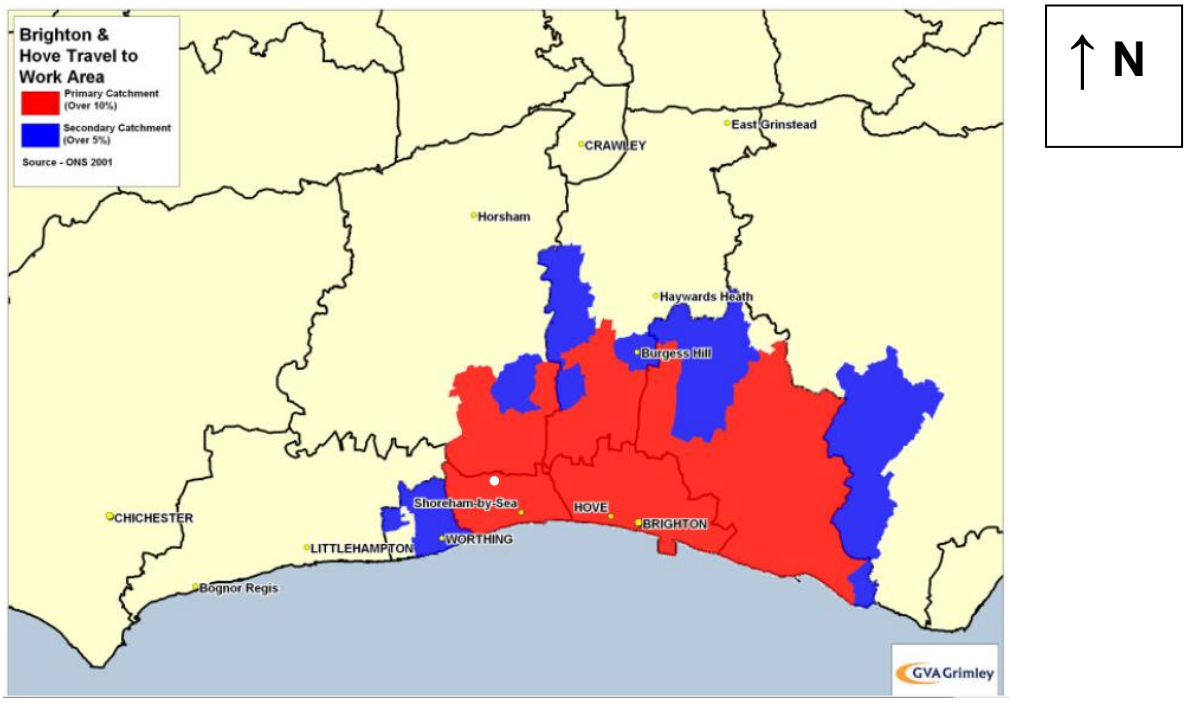


Figure 6: Brighton and Hove TTW Catchment Area

Source: GVA Grimley/SHMA09

80. It is however important not to overstate the disconnection between Henfield and the wider Horsham area. Census data suggests shared demographic characteristics with the district, indicating that SHMA findings related, for example, to affordability and need for dwellings of different types and sizes within the Northern West Sussex Sub-Regional Housing Market remain relevant to the NPA.

81. In addition, the SHMA09 is helpful in identifying differences between different parts of the HMA, describing areas to the west of the A23/M23 corridor (which includes Henfield) as being 'rural in nature, with attractive smaller settlements offering high quality of place and a housing offer focused more towards larger properties with strong demand. Commuting patterns are more dispersed, with a mix of people working locally, commuting to the larger economic centres'. This provides a reasonable picture of Henfield, and demonstrates SHMA09 seeks to draw out the characteristics of the individual sub-markets.

82. Finally, given the age of the SHMA09, it is reasonable to ask whether its data remains true in 2017, or whether there have been changes in the economic geography to precipitate a shift in the HMA's boundaries. Later updates to SHMA09 (the other SHMA studies) suggest this is not the case and that, 'the defining characteristics of the HMA and its interactions/overlaps with surrounding areas previously identified will not have fundamentally altered such that the primary focus of the HMA should be considered as out-dated.[9]'

83. Given Henfield's location in an area relatively remote from the centre of the HMA, a particular emphasis on this study is placed on data gathered locally; this includes

- Housing Needs Survey Report, Henfield Parish (HNSR) April 2014
- Review of Henfield Neighbourhood Plan Evidence Base
- Census data from 2001 and 2011 related to the Parish.

3.3 RQ1: 'What **quantity of housing** is appropriate for the Neighbourhood Plan Area?

84. We have estimated the quantity of housing needed in NPA derived from five different sources; these are:

- Horsham District Planning Framework settlement hierarchy minimum derived figure (HDPF) 2011-31 generates a projection of **0 dwellings** over the plan period given that the projection for the area has already been satisfied by the homes now built;
- Horsham District Planning Framework district minimum derived figure (HDPF) 2011-31 generates a projection of **529 dwellings between 2017 and 2031 or 38 homes per year (rounded);**
- Housing Need in Horsham 2015 (SHMA) - proportional share drawn from OAN produces a final target of **388 dwellings over the plan period, or 28 per year** (rounded);
- DCLG Household projections generate a re-based projection of dwellings **of 400, or 29 dwellings (rounded) per year over the plan period**; and
- A projection derived from homes growth between 2001 and 2016 of **301 homes over the plan period of 2017-2031.**

These calculations are set out below.

3.3.1 Horsham District Planning Framework (HDPF) 2015

3.3.1.1 Settlement Hierarchy minimum

85. To calculate the 'fair share' of the 1,500 dwellings over the plan period, 2011-31 to come through Neighbourhood Plans in accordance with their settlement hierarchy'[10] we have calculated the number of dwellings in the settlement as a proportion of all the settlements that come under the

[9] AHNMU14, page 16
[10] HDPF, page 56

three different categories of 'small towns and larger villages, medium villages and smaller villages' (the 3 categories) set out in Policy 3.[11]

86. It is important to note we have excluded the 'Main town' of Horsham from this calculation as it does not form one neighbourhood planning area. In addition, it is not anticipated that dwellings will come forward through neighbourhood planning due to the strategic nature of development in and around Horsham town. This should therefore be excluded from the 1,500 dwellings sought through section 4 of Policy 15.

87. The total number of dwellings in the three categories mentioned above comes to 21,517 dwellings. This figure has been arrived at by accessing Census 2011 data relating to specific Middle and Lower Super Output Areas (M/LSOAs) and Output Areas (OAs) that focus on the spatial arrangement of each town and village (as opposed to the wider parish in which they sit). This is based on a reading of Policy 3 which specifically suggests that development will only be permitted within the defined built-up areas.

88. In 2011, there were 1,380 dwellings in the built-up area of Henfield[12]; this equates to 6.41% of all the dwellings in the 3 categories. On this basis we can calculate that the settlement's fair share of the 1,500 figure is 88 dwellings (rounded) to be delivered over the Plan Period.

89. In arriving at a final total for HPC, it is important to take into consideration that, according to data provided by the Local Authority, 159 net new dwellings (built units less losses) were built between 2011 and 2016 in the NPA[13]. Allowing for these completed dwellings, a housing target for Henfield that is in conformity with emerging district policy, taking as its starting point the settlement hierarchy minimum is therefore zero dwellings as the settlement has already more than achieved its housing target.

3.3.1.2 District minimum

90. As we have seen, Policy 15 of the HDPF puts forward a housing requirement for 'at least 16,000' for the district over the Plan Period between 2011 and 2031. It is worth producing a 'fair share' calculation for Henfield despite the settlement hierarchy derived figure set out above on the basis that the HNA seeks to show an unconstrained expression of need, not tempered by policy choices made by the Local Authority. Moreover, it is legitimate for the neighbourhood plan to exceed the minimum number of dwellings required to be in conformity with the Local Plan. The 'district minimum' figure provides a credible alternative target, should HPC choose to pursue it.

91. The proportional share may be calculated for Henfield Parish based on the proportion of homes within the district that fall into the NPA. At the time of the last Census there were 2,405 dwellings in the NPA and 56,516 in the district as a whole; this represents 4.3% (rounded) of all homes in the district. Therefore, 688 homes (4.3% of 16,000) homes should be allocated as the 'fair share' of the District target.

92. In arriving at a final total for HPC, as with the settlement hierarchy calculation, it is important to take into consideration that, according to data provided by the Local Authority, 159 net new dwellings were built between 2011 and 2016 in the NPA. Allowing for these completed dwellings, a housing target for Henfield that is in conformity with emerging district policy is therefore **529 dwellings** (488-159) **between 2017 and 2031 or 38 homes per year (rounded)**

3.3.2 Strategic Housing Market Assessment (SHMA) 2009

93. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN[14]), as opposed to a final housing target. The final housing target will take into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.

[11] HDPF, page 25
[12] There were 2,405 in the Parish at the time of the 2011 Census
[13] Parish completions data prepared by Mark Daly, Planning Officer HDC, 2nd August 2017
[14] The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

94. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the NP level, because it is an authoritative source of evidence, and importantly, because it takes into account population and household projections, as set out in the 2012 Sub-National Population Projections (SNPP). SNPP provide the basis for Household Projections which the PPG suggests should be taken as a 'starting point' in determining need at the local authority level.

95. The HNHD15 identifies an OAN for Horsham District over the period 2011 - 31 of 12,720 homes.[15] This number has been selected by the authors of the report from a number of options on the basis of the support it provides to employment growth of 275 jobs per annum as recommended by the Inspector following the examination of the HDC's Planning Framework. It includes upwards adjustments to household formation rates relative to trends, producing an increase in housing supply (of both market and affordable housing). This reflects a policy aim of improving affordability, thus enabling a growing number of younger households in their 20s and 30s to form.

96. To calculate the NPA's 'fair share' of this target, it is again possible to use Henfield's proportion of all housing in the borough (4.3%). This produces a figure of 547 dwellings (rounded). Furthermore, it is necessary to take into consideration homes built in the NPA in recent years; since 2011, as set out above, 159 dwellings have been built; producing a final target of **388 dwellings over the plan period, or 28 per year** (rounded).

3.3.3 DCLG Household Projections

97. The Department for Communities and Local Government (DCLG) periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.

98. The most recent (2014-based) household projections were published in July 2016, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NPA is nevertheless possible for the household projections based on the NPA's household numbers in the 2011 Census.

99. At the 2011 Census, Horsham had 54,923 households and the NPA 2,335, or 4.25% of the total (rounded).

100. In the 2014-based household projections, the projection for 2031 is for 66,854 households in Horsham. Assuming it continues to form 4.25% of the district total, the NPA's new total number of households would be 2,841 (rounded); therefore 506 new households will form in the NPA between 2011 and 2031 (or a rate of growth of 25.31 households per year).

101. The number of households does not, however, equate precisely to number of homes, with the latter slightly higher in most places. The NPA is no exception; in the 2011 Census, there were 2,335 households but 2,405 homes. This gives a ratio of 0.97 households per home. In the case of NPA, then, a projection of 506 new households translates into a need for 521 (506/.97) homes (rounded to the nearest whole number).

102. These figures are based on the assumption that the 2014-based government projections for household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2016, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2016 population estimates give the actual number of people in the NPA at that point, meaning the difference between the estimated and the previously projected number of households can be taken into account in future projections.

103. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2016 there would be 135,927 people in Horsham. The mid-2016 Estimates show that, based on the latest information, there were estimated to be 138,018 people, which is higher than the projections by 2,091 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.4 people per household (rounded), obtained by dividing population by number of households) this equates to 871 more households across Horsham.

104. Taking 67,725 (66,854 + 871) as our revised household number at 2031, this equates to 2,878 households in the NPA (rounded), producing a revised growth in the number of households between 2011 and 2031 of 543. Taking into account the disparity between household numbers and dwelling numbers (543/.97), this produces figure of 560 homes. Netting off the 159 dwellings completed since

[15] GL Hearn, Housing Need in Horsham District, March 2015, page 49

2011, **we arrive at a re-based household projections-derived dwellings of 400, or 29 dwellings (rounded) per year over the plan period**.

105. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced, or may in future influence, the Local Plan distribution across the District and hence any difference between this figure and a future Local Plan-derived figure.

3.3.4 Home growth 2001-2011

106. Consideration of home growth 2001-2011 provides another projection based on the rate of delivery of net new homes between the two censuses. As we have seen, there was an increase of 185 homes in the NPA between these two dates, or an average annual rate of increase of 18.5 homes. Multiplying this annual figure by the number of years remaining of the plan period from 2016 **produces a projection of gross need for 259 homes**.

3.3.5 Home growth since 2011

107. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last census (2011), using data gathered and monitored by the LPA. As we have seen, between 1st April 2011 and the 31st March 2016, 159 net new dwellings were completed. This equates to an annual rate of delivery of 31.8 homes (159 divided by 5, the number of years elapsed). If this rate of delivery was continued to 2031, this would equate to **a projection of 445 homes over the plan period of 2017-2031** (31.8 x 14, rounded to the nearest whole number).

108. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development could be delivered over the plan period, we have taken the aggregate of the homes growth between 2001 and 2016; this comes to 344 (185 + 159) dwellings. Expressed as an annual average rate over this longer period, this is 21.5 dwellings /year. This produces **projection derived from homes growth between 2001 and 2016 of 301 homes over the plan period of 2017-2031** (21.5 x 14).

3.4 **RQ2.** 'What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?'

109. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NPA's housing stock.[16]

3.4.1 Definitional issues

110. It is necessary at this stage of the study to make clear the distinction between affordable homes as a piece of planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

111. In this paragraph, we briefly review the proposed reforms to the definition of AH set out in the Government's Housing White Paper published in February 2017. These reforms make clear its commitment to home ownership but recognised the important role of affordable rent for those not currently seeking home ownership. The changes proposed would broaden the definition of affordable housing, supporting 'present and future innovation by housing providers in meeting the

[16] PPG Paragraph: 021 Reference ID: 2a-021-20160401

needs of a wide range of households who are unable to access market housing'. This would include 'products that are analogous to low cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to 'in perpetuity' restrictions or have recycled subsidy'.

112. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as 'new dwellings…to be made available for people whose needs are not adequately served by the commercial housing market'[17]. Secondary legislation is required to implement this definition, necessitating further parliamentary debate[18].

113. The Housing White Paper[19] confirms that a revised definition of AH will be brought forward through changes to the NPPF later this year, proposing a definition as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership' and which 'meets the criteria' for one of the following models[20]:

- **Social rented housing**, defined as currently and owned by local authorities and private registered providers with guideline target rents determined through the national rent regime. It may be owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority or Homes and Communities Agency;
- **Affordable rented housing**, defined as currently and let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
- **Starter Homes**, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with an income restriction of £80,000 outside London. These homes are expected to provide a new low cost market housing product for first time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;
- **Discounted market sales housing**, sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is to be determined with regard to local incomes and house prices;
- **Affordable private rent housing**, made available for rent at a level which is at least 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative affordable housing provision is made if the discount is withdrawn. This is viewed as particularly suited to the provision of affordable housing in Build to Rent schemes; and
- **Intermediate housing**, defined to include discounted market sales and affordable private rent housing – as outlined above – and other housing that is 'provided for sale and rent at a cost above social rent, but below market levels'.

114. A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.

115. The evidence assembled to answer RQ2 seeks to populate a series of 'key indicators'; these are the age structure of the population, household composition and income both now and how they are forecast to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how not only the tenure of housing in the plan area, but also type and size should be modified through planning policy.

[17] Housing and Planning Act 2016, part 6, section 159 (4)
[18] Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'
[19] DCLG (2017) Fixing our Broken Housing Market (para A.120)
[20] Ibid (p100)

3.4.2 Current tenure profile

116. Before we present this data, it is necessary to present a picture of tenure in the NPA at the moment. **Table 1** below presents Census data from 2011 that shows the overwhelming majority of dwellings are in owner occupation. Henfield also possesses a substantial stock of social rented dwellings. At 14.4%, this exceeds the level in Horsham as a whole. It is also notable that shared ownership dwellings have not yet become an established tenure in the Parish.

Table 1: Tenure (households) in Henfield, 2011

Tenure	Henfield	Horsham	England
Owned; total	73.4%	74.5%	63.3%
Shared ownership	0.3%	0.7%	0.8%
Social rented; total	14.4%	11.6%	17.7%
Private rented; total	10.5%	11.8%	16.8%

Source: AECOM calculations 2011

117. In **Table 2** below, we present data from Census that indicates how tenure in Henfield has shifted between the 2001 and 2011 Censuses. The notable shifts are the substantial growth of private rented sector (PRS) dwellings In terms of actual numbers, these increased from 105 units in 2001 to 246 units in 2011. The increase in social rented dwellings is also important, an increase from 302 dwellings in 2001 to 336 in 2011.

Table 2: Rates of Tenure change in Henfield, 2001 - 2011

Tenure	Henfield	Horsham	England
Owned; total	2.5%	4.2%	-0.6%
Shared ownership	16.7%	34.9%	30.0%
Social rented; total	11.3%	13.0%	-0.9%
Private rented; total	134.3%	97.6%	82.4%

Source: AECOM calculations 2001 and 2011

3.4.3 Affordability

118. To understand need for AH in the NPA it is necessary to identify that proportion of the population who are unable to access AMH without subsidy. To do this, we consider two primary indicators, firstly affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'; secondly 'Income Thresholds.' The latter denotes the maximum share of a family's income that should be spent on accommodation costs if enough resources are to remain to cover other needs, as well as discretionary spending.

119. In addition, the Income Threshold enables us to estimate that proportion of the population able to afford dwellings at different price points based on an assumed proportion of household income devoted to housing costs.

120. Thirdly, we review Housing Waiting List data provided by the LPA to understand the demand for AH based on actual enquiries lodged with the LPA.

121. Before reviewing this evidence however, it is important to consider evidence relevant to housing need that has already been compiled by HPC; this includes an authoritative study produced by AirS in April 2014, entitled the Housing Needs Survey Report (HNSR).

122. AirS's research consisted of a household survey that gathered views of residents about housing development and statistical data to quantify the amount of affordable housing required to satisfy the needs of the current resident population over a 5 year time horizon.

123. Their findings show that, at the time the study was undertaken, there were 44 households in Henfield in housing need who had a local connection and who could not afford to either purchase or rent on the open market, and were therefore eligible for affordable housing.[21] 614 households took part in

[21] HNSR, page 17

the study, or 22.4% of the total. This is an acceptable sample size for a study of this type. Based on this data, HNSR identifies a household need for AH of 6.8% of resident households (44/651*100).

124. Below in **Table 3** we reproduce Table 16 from this study; this provides a break-down of household types in need. It is apparent from this that the majority are seeking either to set up an independent home, and are likely to be either solo households or couples falling into a younger age bracket, or requiring a larger home and are therefore experiencing over-crowding to some degree.

Table 3: Reasons for needing to move house

Reason for moving	Number of respondents
Need to set up an independent home	17 (40.5%)
Need larger home	9 (21.3%)
Need to be closer to carer or dependent, to give or receive support	3 (7.1%)
Need cheaper home	5 (11.9%)
Need to avoid harassment	1 (2.4%)
Need to be closer to employer	2 (4.8%)
Need a secure home	1 (2.4%)
Need to change tenure	1 (2.4%)
Need adapted home	0 (0.0%)
Need a more manageable home	1 (2.4%)
Need to be closer to/have access to public transport	0 (0.0%)
Need a smaller home – present home is difficult to manage	1 (2.4%)
Other	1 (2.4%)
No response	2
TOTAL	44

Source: AIrS

125. It is worth comparing this with 'concealed households' data from Census, presented in **Table 4** below. These are households living in the same dwelling as a 'host' household who would prefer to occupy their own home, but cannot do so for reasons of affordability. This, combined with data from HNDS, suggests a small but steady flow (reflecting a natural rate of household formation within the Parish) of households requiring AH in order to leave the family home to start an independent life.

Table 4: Concealed families in Henfield and Horsham, 2011

Concealed families	Henfield	Horsham	England
All families: total	1,591	38,935	14885145
Concealed families: total	16	451	275954
Concealed families as % of total	1.0%	1.2%	1.9%

Source: Census 2011, AECOM Calculations

126. Furthermore, HNSR presents research identifying entry level property values and, employing a multiple of 3.5 household income, arrives at an estimate of the necessary income to afford dwellings at these price points. In **Table 5** below we reproduce HNSR Table 4 that sets out this data.

Table 5: Lowest current property prices (2014)

Property Type	Location	Lowest Price	Income Required
2 bed terraced house	Henfield	£249,950	£64,272
3 bed semi-detached house	Henfield	£250,000	£64,285
3 bed detached bungalow	Henfield	£437,500	£112,500
4 bed detached house	Henfield	£475,000	£122,142

Source: rightmove.co.uk

127. HNSR does not present data on household incomes; it is therefore not possible from this study to understand what proportions of the population are able to afford dwellings at these different price points. The data presented in the section below titled 'Income Thresholds' drawn from the SHMA studies provide some assistance, although these show the picture at the Housing Market Area (HMA) level. We can pick up the thread of our investigation as to the proportion of the population

who can afford AHM within this section; for the moment, however, we need to turn to assemble data relating to another key indicator, the Affordability Ratio.

3.4.4 Affordability Ratio

128. In **Figure 7** below we reproduce below HNHD15 Figure 18 which shows fluctuations at the HMA level in the Lower Quartile Affordability Ratio (LQAR) between 1997 and 2013; this assesses specifically the degree to which people on modest incomes (lower quartile earnings) are able to access Affordable Market Housing (AMH). This illustrates how house-prices have outstripped household incomes over the period, particularly in Mid Sussex and Horsham.

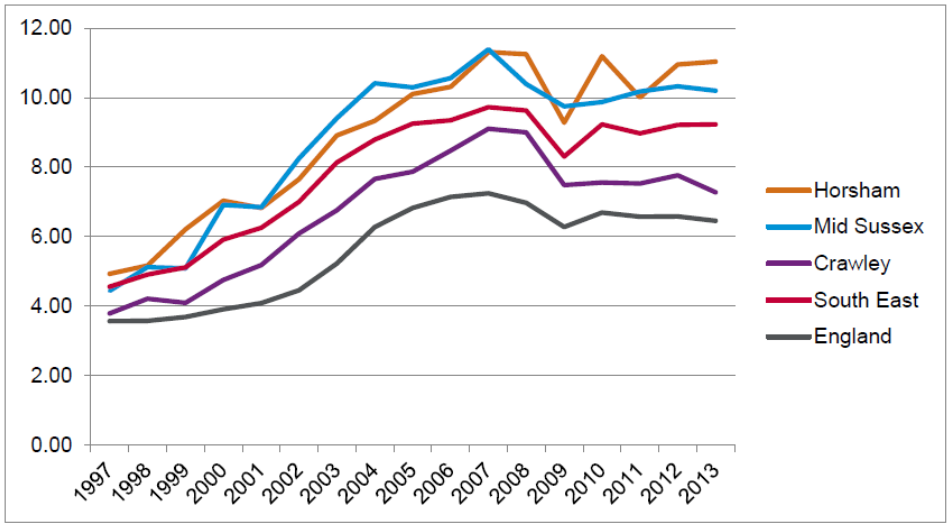


Figure 7: Lower Quartile Affordability Trend (1997-2013)

Source: CLG Housing Market Live Tables

129. In **Table 6** below we re-produce HNHD15 Figure 19 which compares the LQAR with an Affordability Ratio based on median incomes (i.e., people on higher incomes). This indicates that those at the lower end of the income scale are less able to access relatively affordable market homes than those on higher incomes are able to access more expensive dwellings, leading to the conclusion that, while there is a crisis of affordability across the market, this is particularly acute at the low end of the income spectrum.

Table 6: Comparison of lower quartile and median affordability

	Lower Quartile Ratio	Median Ratio
Horsham	11.04	10.89
Mid Sussex	10.20	9.76
Crawley	7.28	6.22
West Sussex	8.88	8.72
South East	9.20	8.75
England	6.45	6.72

Source: CLG Housing Market Live Tables

3.4.5 Income thresholds

130. Income Threshold data is provided by the AHNMU14; below in **Table 7**, we re-produce Table 11 from this document that shows thresholds for lower quartile dwellings for both rent and purchase. These are based, in the case of rental accommodation, on an assumption that 25% of annual household income is spent on housing costs. In the case of purchase, (showing a similar methodology to the HNDS study cited earlier in this report) the threshold is calculated by discounting the lower quartile house price by 10% to reflect the purchase deposit; the resulting price is then divided by 3 to reflect the standard household income required to access mortgage products.[22]

[22] AHNMU14, page 63

Table 7: Entry-level Housing Costs and Income Thresholds, 2014

	LQ House Prices	LQ Monthly Housing Costs		Monthly Rent as % of Purchase Cost	Income Threshold (Annual)	
	Purchase	Purchase	Rent		Purchase	Rent
Crawley	£134,740	£667	£700	105%	£40,422	£33,600
Horsham	£174,249	£863	£700	81%	£52,275	£33,600
Mid Sussex	£168,432	£834	£695	83%	£50,530	£33,360

Source: TPDL, VOA and CCL Calculation

131. In **Table 8** below we reproduce Table 12 from the same document; this shows average household incomes within the Northern West Sussex HMA, and provides a good illustration of affordability issues across the area. By comparing the Income Threshold data in **Table 7** with the median income data in **Table 8** it is possible to see that fewer than 50% of all households can afford affordable market housing (AMH) without subsidy, i.e., if £52,275 is required to purchase a dwelling priced in the lower quartile, clearly households on a median income of £38,831 would be unable to afford it.

132. Relating this back to house prices presented in the HNSR study, assuming a 2 bed terraced house is an entry-level property, the gross income required of £64,272 is clearly well in excess of what most households can afford. It is also worth noting the average dwelling price is greater in Henfield than in the district generally, exacerbating affordability issues. This is consistent with the notion of the rural areas in the HMA experiencing stronger demand.

Table 8: Average Household Incomes, Northern West Sussex HMA

	Mean Average	Median Average	Mode Income Band Average
Crawley	£38,299	£31,111	£10,000 – 15,000
Horsham	£46,915	£38,831	£10,000 – 15,000
Mid Sussex	£47,472	£39,450	£15,000 – 20,000

Source: CACI Paycheck Household Incomes Data, July 2014

133. Figure 19 from the same document, reproduced below as **Figure 8** provides the proportions of those able and unable to buy and rent market dwellings at the district level.

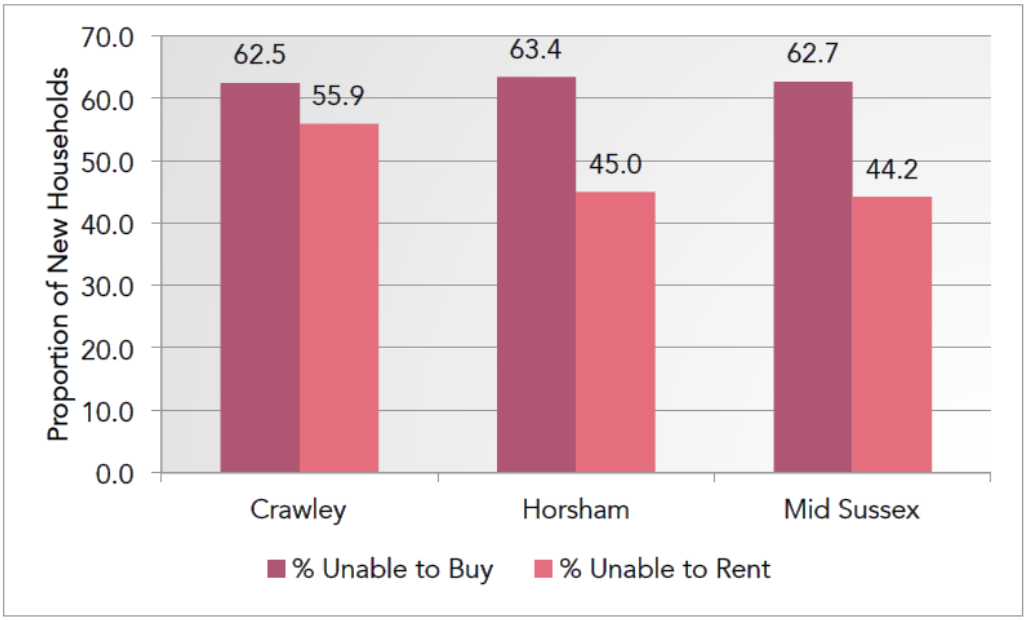


Figure 8: Proportion of Households unable to buy or rent, Crawley, Horsham and Mid Sussex

Source: CACI Paycheck Household Incomes, July 2014 & CCL Calculation

134. It is reasonable to assume a similar scenario exists in Henfield to that which has been observed within the wider HMA; if anything the affordability crisis will be more acute because of higher average value properties.

135. This leads to the conclusion that, if 6.8% of households are eligible for AH in the Parish (using HNSR data), and, assuming that a proportion of the population unable to buy in Henfield is estimated to be 63.4% for the district shown in **Figure 8**, then roughly 57% of households in the Parish will be reliant on private rented dwellings or 'intermediate' housing product.

136. This 57% may be an over-estimation as some households will have access to other forms of finance via government schemes such as Help to Buy and, of course, 'the bank of mum and dad'. Both these have the potential to reduce the size of a required mortgage and, as a result, fall within a given household's income threshold.

3.4.6 Housing waiting list data

137. So far, we have considered housing need based on a statistical understanding of affordability derived from household income. A necessary additional component to quantify need for affordable housing (AH) in the NPA is identifiable demand expressed through entries on a housing needs register. In the absence of such a register that is specific to the NPA, the data contained in the Housing Register Waiting List (HRWL) for the whole district maintained by HDC may be used.

138. We contacted HDC for their assessment of the number of households currently on the waiting list that live in Henfield. They reported back that, of the 671 households currently on the register, there are currently 137 applicants on the housing waiting list that have an expressed an interest in living in the Parish[23].

139. However, many of the applicants have expressed interest in other areas of the district as well as Henfield. Unfortunately, the housing team are unable to provide information on how many of these applicants currently live in the Parish. Nevertheless, it is still worth checking the proportion of all projected housing need this represents to provide an indication of whether the LPA's affordable policies will be sufficient to meet need.

140. The average of the housing needs projections for the NPA derived from the four projections (as discussed earlier, excluding the HDPF 'district minimum' is 272 dwellings (rounded) to be delivered over the Plan Period; the above mentioned figure of 137 applicants represents 50% of this number. It

[23] Horsham District Council, Memo regarding AECOM Housing Needs Assessment for Henfield, June 2017

is also worth considering the quantum of housing need identified in the HNSR of 44 households. This represents 16% of this average figure.

141. As we have seen, policy 16 of the Horsham District Planning Framework requires that all residential developments of between 5 and 14 dwellings to provide 20% affordable units, or a financial contribution where this is not deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings.

142. This suggests that, assuming the Parish achieves the housing numbers set out in this study over the Plan Period, it will be able to meet the need for AH put forward in the HNSR given that development may yield 54 dwellings (using the 20% quota).

143. Another way of looking at this however is to take the overall number on the HRWL (671), and calculate the 'fair share' that may be accorded to Henfield. As we have seen, at the time of the last Census there were 2,405 dwellings in the NPA and 56,516 in the district. There were, therefore, 4.3% (rounded) of all homes in the district. An estimate of the AH that may be allocated to the Parish is therefore a rounded figure of 29 dwellings (671*4.3%). In order to achieve this figure, and applying the 20% quota policy, around 150 new dwellings would be required.

144. Given the strategic nature of Policy 16, it will be challenging, within the neighbourhood plan, for the NDP to develop a policy that departs from it. On the basis of the evidence gathered, therefore, we do not see sufficient justification for the Henfield Neighbourhood Plan to set its own affordable housing target.

145. An assertive position as regards AH should be adopted however, together with additional evidence to show need within the NPA, for example a parish-level housing register waiting list Such a register, if regularly maintained, would provide an up-to-date tool for attracting additional AH supported by robust evidence of local need, and justify the AH exception sites, if appropriate.

146. In developing an approach to AH policy, it is worth noting it has wide-spread community support, according to the AirS study.[24]

147. In addition, a parish list could be used as a lobbying tool to resist cases where developers are seeking a low AH allocation on a given site or to re-negotiate S106 commitments to provide affordable housing part way through the delivery of a scheme.

148. Bringing our consideration of housing need driven by affordability together, the following key findings emerge: firstly, the current tenure profile of the area leaves little available accommodation for those on low incomes, given that the bulk of the housing stock is in owner occupation. This is supported by findings in the AirS study that show that 25.9% felt the parish did not have the housing to meet their future needs. Given that only 6.8% of households are eligible for AH, this leaves almost one in five whose needs may not be met through the current provision. A substantial portion of these will be those ineligible for AH, but who cannot afford market housing. This presents them with a choice of accepting unsuitable housing in Henfield, or moving from the area.

149. Secondly, it is instructive that, according to the HNSR study, roughly 6.8% of households in 2014 were eligible for affordable housing; this compares with the 14.4% of households who occupy AH. This suggests that, assuming fulfilment of Policy 16, and allowing for natural churn, the supply of AH will be adequate for demand. However, it is important to note the picture presented above of the supply of AH being adequate for demand arising is to some degree an illusion. AH need is an artificial construct in which demand is strictly attenuated by eligibility criteria. The reality of need is highlighted by the presence of a small but persistent group of 'concealed households.'

150. Such households are unlikely to accept their housing conditions over the long-term, with many choosing to move to more affordable areas. This indicates that, unless Henfield is able to provide this housing in a timely way, over the years many newly forming households that would have chosen to live in the Parish will live elsewhere. While some may have no difficulty with this, the leakage of this demographic tier threatens the viability of local services and the overall vitality of the settlement.

151. Thirdly, the analysis of affordability set out in this study indicates shared ownership could be a plausible route to home ownership for those on low incomes, for example first time buyers. At the level of the HMA, a crisis of affordability is identified, with households on lower and median incomes unable to access AMH.

[24] HNSR, page 13

152. Fourthly, the inability of those on mean and median incomes within Horsham District (roughly £39,000 and £47,000 respectively) to afford entry level market properties generates a compelling argument for discounted market sales housing and affordable private rent housing. The former of these two tenures is particularly suitable for first time buyers.

153. The data we have assembled from the SHMA studies suggests that around 57% of households are currently reliant on private rented dwellings or some form of emerging 'intermediate' AH housing product, although this does not take account of savings or access to other forms of finance.

154. Fifthly, the evidence we have gathered does not support HPC developing its own AH policy, but does indicate the council's policy should be assertively implemented in the NPA. In addition, of the AH quota secured through market housing development, 80% should be allocated to social rented housing and 20% to intermediate products. This reflects the affordability crisis in the neighbourhood, the express preference for those in housing need and the HPC's policy objective of supporting first time buyers.

155. Finally, of the market housing coming forward, Build to Rent should be included in the housing mix, to acknowledge the growing role this takes in providing housing to those on average incomes.

3.5 RQ4. What type and size of dwellings are suited to the following categories: older people first time buyers and young families.'

3.5.1 Current Tenure Profile

156. In order to understand whether the type and size of housing that makes up the current housing stock is suited to the future needs of the community, it is necessary to undertake a review of this stock and, through an analysis of the current and future demography of the neighbourhood, assess whether there are any current or emerging misalignments between the supply of dwellings and forecast need that justifies policy intervention.

157. In **Table 9** below we set out the types of dwellings in the Parish at the time of the last Census. From this it is apparent that the majority of dwellings in the parish are houses, of which the largest proportion are detached dwellings, and that there are a limited number of flats.

Table 9: Accommodation type (households) in Henfield, 2011

Dwelling type		Henfield	Horsham	England
Whole house or bungalow	Detached	40.2%	38.7%	22.4%
	Semi-detached	30.3%	26.5%	31.2%
	Terraced	15.1%	17.0%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	10.9%	14.7%	16.4%
	Parts of a converted or shared house	1.5%	1.6%	3.8%
	In commercial building	1.7%	0.9%	1.0%

Source: Census 2011, AECOM Calculations

158. In this section we review dwelling sizes; initially some definitional explanation is needed. The number of rooms recorded in Census excludes kitchen, bathrooms and toilets. Number of rooms data in **Table 10** below should be translated as follows:

- 1 room = Bedsit
- 2 rooms = flat/house with one bedroom
- 3 rooms = flat/house 2 bedrooms
- 4 rooms = flat/house with 2 bedroom and 2 reception rooms, or 3 bedrooms and 1reception room
- 5 rooms = flat/house with 3 bedrooms and 2 reception rooms

- 6 rooms = house with 3 bedrooms and 3 reception rooms or 4 bedrooms and 2 reception rooms
- 7+ rooms = house with 4, 5 or more bedrooms house.

159. **Table 10** below shows a break-down of housing stock in terms of size. The great majority of dwellings in the NPA are family homes (73%) of 5 rooms and larger; indeed, among this number 34% have 7 rooms or more. 23% of homes are smaller than this, and homes of 1-3 rooms represent 10% of total stock.

Table 10: Number of rooms per household in Henfield

	2001	2001	2011	2011
Number of Rooms	Henfield	Horsham	Henfield	Horsham
1 Room	7	277	7	306
2 Rooms	47	1057	51	1256
3 Rooms	156	3791	180	4676
4 Rooms	380	8280	392	8833
5 Rooms	476	11435	476	10988
6 Rooms	398	9377	426	10038
7 Rooms	246	5916	274	6730
8 Rooms or more	444	9904	226	5212
9 Rooms or more			303	6884

Source: Census 2001 and 2011 AECOM calculations

160. According to Census data, there has been a net increase of 185 dwellings in the NPA between 2001 and 2011[25]. **Table 11** below records how these increases have been spread across the different sizes of home. While there has been a modest increase in the number of smaller dwellings (24 dwellings), the greatest increase has been the number of larger homes of 8 rooms or more, with 85 new dwellings coming into existence over this 10 year period.

Table 11: Rates of change in number of rooms per household in Henfield, 2001-2011

Number of Rooms	Henfield	Horsham	England
1 Room	0.0%	10.5%	-5.2%
2 Rooms	8.5%	18.8%	24.2%
3 Rooms	15.4%	23.3%	20.4%
4 Rooms	3.2%	6.7%	3.5%
5 Rooms	0.0%	-3.9%	-1.8%
6 Rooms	7.0%	7.0%	2.1%
7 Rooms	11.4%	13.8%	17.9%
8 Rooms or more	19.1%	22.1%	29.8%

Source: Census 2001 and 2011 AECOM calculations

161. Bringing together the data relating to type and size, the current housing stock exhibits a strong bias towards larger dwellings, and relatively few flats. Changes in the profile of the housing stock saw an increase in larger family dwellings and households occupying homes consisting of three rooms. This may reflect the increase observed, when comparing 2001 and 2011 Census data, in the numbers of older people, who have reached an age where they are looking for a smaller home.

162. To understand whether this profile of housing stock is suited to the current and future needs of the community in the Parish, we consider two key indictors: age structure and household composition,

[25] Census 2001, 2011

and how these are forecast to change over time. This, combined with our analysis of affordability in RQ2, will enable us to identify, as PPG suggests, a number of market segments in the NPA.

3.5.2 Age Structure

163. In Figure 9 below, we set out the age structure of the resident population. This shows a lower proportion of younger adults than either the district or England, but a much higher number of older residents, some 30% of residents were aged 65 or older at the time of the last Census.

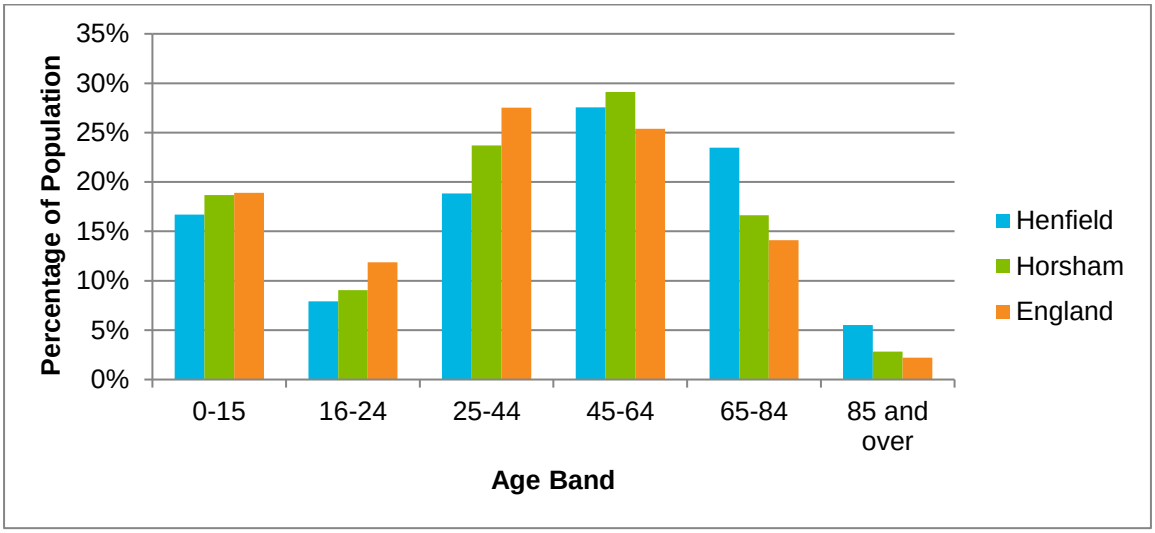


Figure 9: Age Structure in Henfield, Horsham and England, 2011

Source: Census 2011, AECOM calculations

164. In **Table 12** below we set out how the age structure in the NPA has changed between the 2001 and 2011 Censuses. There have been no dramatic shifts, although the increase in the proportion of the population taken up by older people is notable, particularly within the 65-85 age group, which saw an uplift of 204 individuals. The increase in those in older middle age is also significant, and brings with it a commensurate uplift in young adults. These two factors suggest a community with a family orientation, as well as a place popular for retirees.

Table 12: Rate of change in the age structure of the population of Henfield, 2001-2011

Age group	Henfield	Horsham	England
0-15	-0.6%	-2.6%	1.2%
16-24	12.2%	13.9%	17.2%
25-44	-11.1%	-9.2%	1.4%
45-64	8.0%	20.4%	15.2%
65-84	19.4%	24.0%	9.1%
85 and over	60.0%	30.7%	23.7%

Source: Census 2001 and 2011, AECOM calculations

165. In **Table 13** below we reproduce table 3 from HNHD15; this presents forecasts for shifts in the age structure at the district level over the plan period. This table suggests a continuation of the trend towards an increasingly elderly population in coming years. It also indicates the numbers of those in middle-age will fall. While these numbers should be treated with some caution given the differences in geography, the increase in the numbers of elderly people is likely to be true across the whole of the HMA.

Table 13: Population change 2011 to 2031 by fifteen-year age bands (2012-based SNPP)

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	22,874	23,497	623	2.7%
15-29	19,437	19,542	105	0.5%
30-44	25,056	24,088	-968	-3.9%
45-59	29,226	27,295	-1,931	-6.6%
60-74	22,350	30,939	8,589	38.4%
75+	12,597	23,499	10,902	86.5%
Total	**131,540**	**148,859**	**17,319**	**13.2%**

Source: Census 2001, Projections 2031

166. In summary, analysis of the age structure of the population of Henfield and the changes that have been identified reinforce the impression of a family orientated community, as well as a place of retirement. These changes support the conclusion that larger dwellings should form an important part of the mix of types and sizes of homes provided over the plan period.

167. The increase in the proportion of the population accounted for by older people creates an imperative for housing policy to address their needs, for example dwellings of a manageable size and designed to be 'age-friendly.'

3.5.3 Household composition

168. Age structure and wealth are stronger indicators of demand for dwellings of different size than household composition. This is because people with the means to choose will select a home based on their lifestyle choice and taste, rather than practical need. Nevertheless, it is worth presenting household composition data as this provides an understanding of requirements that should be fulfilled to avoid the risk of over-crowding. In **Table 14** below we present data from Census 2011; this shows the strongly family orientation of the neighbourhood, with roughly a third of households including children. The number of solo households is also revealing, of whom roughly two thirds are aged 65 or older.

Table 14: Household composition (by household) in Henfield, 2011

		Henfield	Horsham	England
One person household	Total	31.1%	28.2%	30.2%
	Aged 65 and over	19.7%	13.6%	12.4%
	Other	11.4%	14.6%	17.9%
One family only[1]	Total	64.4%	66.8%	61.8%
	All aged 65 and over	14.6%	10.8%	8.1%
	With no children	17.3%	20.6%	17.6%
	With dependent children	23.9%	26.6%	26.5%
	All children Non-Dependent	8.7%	8.9%	9.6%
Other household types	Total	4.5%	5.0%	8.0%

Source: Census 2011, AECOM Calculations

169. **Table 15** below describes the changes that have taken place in terms of household composition between the 2001 and 2011 Censuses. The data suggests a modest increase in most household types; the picture that emerges is a relatively stable population, and one that has evolved in a way that is broadly consistent with the wider district.

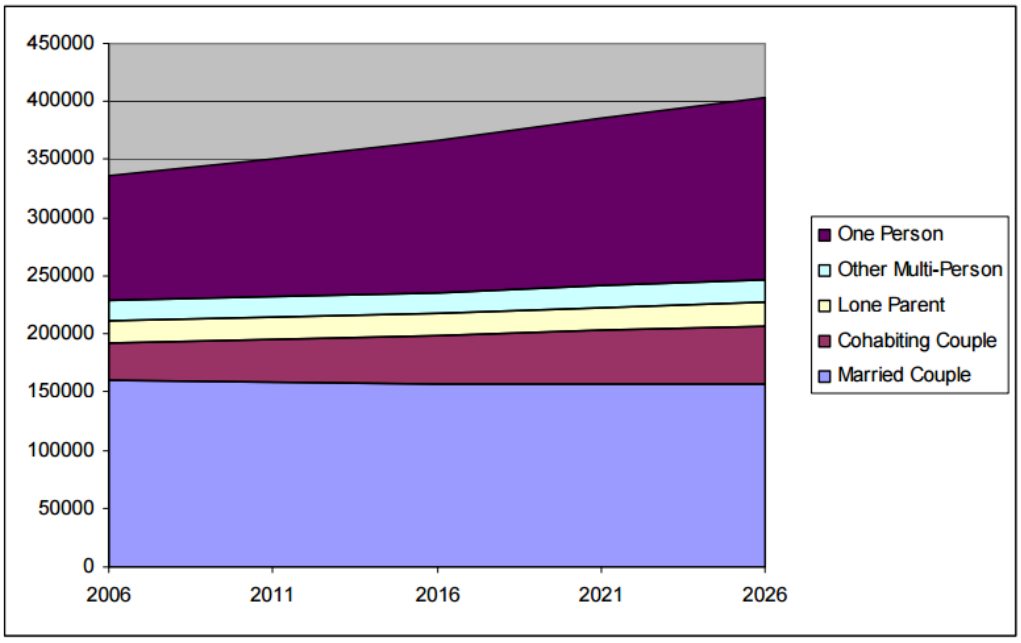
Table 15: Rates of change in household composition in Henfield, 2001-2011

		Henfield	Horsham	England
One person household	Total	14.7%	16.0%	8.4%
	Aged 65 and over	10.1%	8.6%	-7.3%
	Other	23.6%	23.9%	22.7%
One family only	Total	4.7%	6.3%	5.4%
	All aged 65 and over	11.4%	8.5%	-2.0%
	With no children	-6.1%	4.8%	7.1%
	With dependent children	4.1%	4.0%	5.0%
	All children non-dependent	22.4%	14.8%	10.6%
Other household types	Total	20.5%	26.4%	28.9%

Source: Census 2001 and 2011, AECOM Calculations

170. SHMA09 provides some assistance in projecting changes in household composition in future years at the level of the Housing Market Area. Below we reproduce SHMA09 Figure 8.8 as **Figure 10**; this shows a continuation of the trend, seen in Census data reported above, of increases in one person households with other forms of household composition remaining broadly steady. This may reflect both social trends, for example people leaving having children until later in life, and demographic shifts, in particular the ageing population.

Figure 10: Changing Household Structure, West Sussex County 2006-2026



Source: WSCC, CLG Revised Trend Based Household Projections

171. In **Table 16** below we set out data relating to persons per room; this provides a broad indication of the degree of over-crowding in the NPA. From this data, it is clear the great majority of dwellings provide 'surplus' accommodation. In 2011, less than 1% of all households experienced overcrowding. Notwithstanding, there was an increase in the numbers of homes exhibiting overcrowding from 15 to 18 between 2001 and 2011.

Table 16: Changes in number of persons per room, Henfield and Horsham, 2001-2011

	2001	2001	2011	2011
	Henfield	Horsham	Henfield	Horsham
Up to 0.5 persons per room	1738	37861	1857	41969
Over 0.5 and up to 1.0 persons per room	398	11798	459	12487
Over 1.0 and up to 1.5 persons per room	15	300	18	366
Over 1.5 persons per room	0	78	1	101

Source: Census 2001 and 2011, AECOM Calculations

172. **Table 17** below reports on concealed households; a concealed household is one living in a multi-family household in addition to the primary family, such as a young couple living with parents. This indicates that, at the time of the last Census, there were 16 families 'concealed' within host households; while there is likely to be an overlap with the 'over-crowded' homes described in the previous paragraph, concealed households, as described earlier, may equally be young adults living with their parents, and therefore captured in 'family' households, and not necessarily self-identifying as 'concealed.' As can be seen in Table 14 8.7% of households have non-dependent children living at home, suggesting that the small minority who self-report as concealed in Census surveys represent a small part of a larger problem. We note that, according to the charity Crisis, the number of adults in concealed household units was estimated at 3.34 million, and have increased by one third since 2008.[26]

Table 17: Concealed families in Henfield, Horsham and England, 2011

Concealed families	Henfield	Horsham	England
All families: total	1,591	38,935	14,885,145
Concealed families: total	16	451	275954
Concealed families as % of total	1.0%	1.2%	1.9%

Source: Census 2001 and 2011, AECOM Calculations

173. Given the demographic profile, the existence of widespread surplus accommodation would suggest some appetite for downsizing on the part of older people; equally, many people in owner-occupation may choose to live in larger properties.

174. To understand how the community may divide in to these two camps, it is worth noting the profile of economic activity in the area; this is set out in

[26] https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/ (visited 01/09/17)

175.

176. Table 18 below. This shows a lower proportion of economically active people than the district, and a higher proportion of retired people. This would suggest that, in combination with the data on Age Structure presented above, that there is likely to be a substantial proportion of people occupying larger home unwillingly, who would prefer to down size.

Table 18: Economic activity in Henfield, 2011

Economically active	Total	68.4%	73.4%	69.9%
	Employee: Full-time	31.5%	40.3%	13.7%
	Employee: Part-time	15.5%	14.8%	38.6%
	Self-employed	16.0%	12.9%	9.8%
	Unemployed	2.6%	2.7%	4.4%
	Full-time student	2.8%	2.7%	3.4%
Economically inactive	Total	31.6%	26.6%	30.1%
	Retired	19.7%	15.5%	13.7%
	Student	3.3%	3.5%	5.8%
	Looking after home or family	4.7%	4.2%	4.4%
	Long-term sick or disabled	2.3%	2.2%	4.1%
	Other	1.8%	1.3%	2.2%

Source: Census 2011, AECOM Calculations

177. This finding is supported by data presented in the Housing Needs Survey Report (HNSR) presented by AirS. Within this study, they identify that, of the 45 households seeking to obtain open market housing, the bulk of the market need that has been identified relates to a demand for smaller units of housing for elderly owner occupiers needing to downsize to more manageable accommodation. In some cases there is a need or anticipated need for housing with support services but more often than not the main reason for wanting to move is that these are older couples living in large houses which are no longer suitable.[27]

178. Bringing the evidence on household composition together, the most striking change is the increase in solo households. Data also suggests a clear family orientation with roughly a third of all households including children.

179. The growth in solo households does not translate automatically into smaller homes. To take older people as an example, many wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay.

180. Moreover, the relatively wealthy demographic will blunt the apparent need (among those able to assess market homes) for smaller homes. Nevertheless, household composition data does support the attention being paid, in terms of the type and size of dwellings, of households comprising fewer individuals, and the average age being substantially older.

181. Finally, the presence of a small number of concealed households and a larger group of non-dependent children living in the parental home suggests a need for affordable dwellings to avoid displacement as these households establish their independence.

3.5.4 Market Segmentation

182. Bringing together the evidence from our consideration of affordability, age structure and household composition, in line with PPG, we have sought to identify the different market segments in the population of Henfield. We then use this understanding to put forward recommendations for policy relating to Affordable Housing as well as and size and tenure of dwelling.

183. **Table 19** below indicates the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One ‘up’ arrow indicates this grouping is growing modestly in the NPA; two ‘up’ arrows indicates strong growth, three ‘up’ arrows suggests very rapid growth in years to come. Where segments are falling in numbers, or not growing, neutral or down arrows are shown.

[27] HNSR, page 17

184. It is important to note that, as we have seen, the market is good at picking up growth trends in the market. For this reason, policy intervention is only justified in the case of market failure (where the market is unable, for reasons of viability, or there are incentives, deliberate or otherwise, that drive the market not to respond to trends). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.

185. Similarly, because we believe in the capacity of the market to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent), policy intervention is only required where the evidence is both compelling and the circumstances it describes serious. This is because policies carry both costs and risks; this can distort the market, preventing it from providing homes (and encouraging a position of market equilibrium in which homes are accessible to target markets).

Arrows analysis

186. In our judgement policy intervention is justified in two areas,

- In terms of tenure, the arrows point to demand for tenures across all types; policy intervention is justified in the need for both social housing and tenures suited to those on household incomes around the mean, that is private rented dwellings, shared equity, discounted market products.
- While the number of larger family homes forms an important part of the housing mix, they do not represent a priority moving forward; indeed the evidence suggests an over-supply of medium sized family homes of 5 rooms. There is however a strong indication, justifying policy intervention, that smaller dwellings of 2 and 3 rooms are needed to address the increase in the number of solo households, the growth in numbers of the elderly and the need to provide affordable homes for newly forming households.

Table 19: Housing market segments

Market segments	Income range	Tenure	Presence in Plan Area	Size of home
Young family where parents are aged 24-44 with 1+ children aged 0-15	Median	PRS, Social housing, shared equity, AMH	↓	5 rooms
Professional Head of Household Young family where parents are aged 24-44 with 1+ children aged 0-15	Mean	AMH, Market Housing (MH)	↓	5 rooms
Professional Head of Household family where parent are aged 44-64 with non-dependent children living at home	>Mean (equity rich)	Market Housing	↑	6+ rooms
Lone parent (with 1+ children)	Lower Quartile (equity poor)	Social Housing	↔	4 rooms
One person household aged under 65	Median (equity poor)	PRS, shared equity, DMH	↑↑	2 rooms
One person household aged 65+ with wealth	Median (equity rich)	Market Housing	↑↑	2-3 rooms
One person household aged 65+ without wealth	Lower Quartile (equity poor)	Social Housing	↑↑	2 rooms
Young couple no children	>Mean (equity poor)	Market Housing, Shared Equity, DMH	↔	4+ rooms
Concealed households	Lower Quartile (equity poor)	Social Housing	↑	1-3 rooms

Source: AECOM

187. In **Table 20** below we provide a table, devised by Nathaniel Litchfield and Partners, setting out recommended dwelling sizes for different household types. This table has been defined on the basis of the following assumptions:

188. Smaller apartments/flats or houses will be more suitable for meeting the initial requirements of married couples until the age they have a family. Those households without children could occupy either houses or flats of the appropriate size;

189. Cohabiting couples and lone parents will want and require similar sizes of housing to married couples. Those households without children could occupy either houses or flats of the appropriate size;

190. Smaller apartments/flats or houses will be more suitable to meeting the requirements of single person households;

191. According to their composition, institutional accommodation such as a residential care home, hostel or purpose-built student accommodation will be more suitable for multi-person households;

192. Further qualitative allowances will need to be made of households at retirement age who are likely to continue living in their previous home unless more manageable two bed flats, houses and bungalows are available; and,

193. The requirement for housing with care, including supported housing and extra care provision, is likely to increase at 85 and above.

Table 20: Estimated Housing Size required by Household Type, by Age of Head of Household

Age Range 2013	One Person	Married Couple / With 1/2 Children	Married Couple / With 3+ Children	Cohabiting Couple / With 1/2 Children	Cohabiting Couple / With 3+ Children	Lone Parent / With 1/2 Children	Lone Parent / With 3+ Children	Other Multi-Person
0-14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15-24	1 bed flat/house	2 bed flat/house	3 bed house	2 bed flat/house	3 bed flat/house	2 bed flat/house	3 bed house	1 bed flat
25-34	1 bed flat/house	3 bed house	3 bed house	3 bed house	3 bed house	3 bed house	3 bed house	1 bed flat
35-44	2 bed flat/house	3 bed house	4 bed house	3 bed house	4 bed house	3 bed house	4 bed house	2 bed flat
45-59	2 bed flat/house	3 bed house	4 bed house	3 bed house	4 bed house	3 bed house	4 bed house	2 bed flat
60-84	2 bed flat/bungalow [30]	2 bed flat/bungalow	3 bed bungalow	2 bed flat/bungalow	3 bed bungalow	2 bed flat/bungalow	3 bed bungalow	2 bed flat
85+	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care

Source: NLP after Survey of English Housing and Housing Vision / Northern Peninsula Strategic Housing Market Assessment 2008

3.5.5 Housing provision: affordable homes (AH)

194. Earlier in this study, we identified the various different tenures that constitute AH: social rented housing, discounted market sales housing (Starter Homes), affordable private rent housing, shared ownership and affordable rented housing. We consider each of these in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

3.5.5.1 Discounted market housing (starter homes)

195. As we have seen, Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.

196. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable home ownership and rented tenures.'

197. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

198. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.

199. Reducing the value of a LQ property priced at £249,950 by 20% to £ 199,960, and applying a further discount of 10% to allow for a deposit, we arrive at a value for mortgage purposes of £ 179,964; at a multiple of 3.5, an income of £51,418 would be needed to purchase such a property.

200. While a house-hold on the mean income for mid-Sussex of £47,472 would struggle to afford a dwelling at this price-point, it would be possible for them to do so as there are lenders in the market willing to go above an income multiple of 3.5; at 4 times, for example, a household on the mean income for mid-Sussex would be able to afford this property. Also, the ability to put down a deposit from savings will significantly impact on the accessibility of properties on the market.

201. On the basis of the evidence we have gathered, we would therefore recommend DMSH form part of the AH quota within the NPA, with a policy developed seeking to fulfil the 10% policy expectation. We note that 20% is a minimum discount and, of course, greater discounts will make the policy more effective in enabling households on incomes around the mean to afford to buy their own home. The ultimate level of discount should be arrived at on a site-by-site basis and will be determined by viability as well as other calls on finite resources stemming from planning gain, such as other forms of AH and infrastructure requirements. The price of land is also a crucial factor here but cannot be explored in this particular assessment.

202. While the Housing White Paper does not specify size of development, it is appropriate for this to be taken into account when considering how the 10% policy expectation should be applied in practice. When the policy was conceived, it was linked to the notion of rural exception sites, land that would normally not be considered for housing to bring forward substantial numbers of affordable dwellings where there is evidence of local need.

3.5.5.2 Shared ownership

203. As we have seen, shared ownership tenure has not yet become an established tenure in the NPA. Nevertheless, it is still worth considering its future role in Henfield. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.

204. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.

205. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000. Given these conditions, it is surprising why it has not yet taken root in Henfield; on the basis of the affordability analysis discussed above, it should form part of the AH mix in the Parish. Discussions with Housing Associations operating in the area are highly recommended.

206. The AHNMU14 provides support for this conclusion, showing a growing market for Intermediate products at the Housing Market Area level; it defines this in two ways, the 'narrow' definition, those whose income falls between eligibility for social rent and the income needed to afford to rent privately, and the 'wide' definition of those whose income falls between social rent and lower quartile mortgage costs. It shows that a majority of households would qualify on income grounds. In below we reproduce AHNMU14 Figure 20.

3.5.5.3 %Affordable rent

207. The AHNMU14 comments that 'it is clear now, in this 2014 update, that the Northern West Sussex authorities would need to offer lower ratios than 80% of market rent in order for the Affordable Rent model to increase affordability for households. At the 80% level, the Affordable Rent model rivals Intermediate tenure costs and also some lower quartile private housing purchase mortgage costs.'[28]

208. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean. The neighbourhood plan should flag the need for the cost of AH targeted at those on lower quartile household incomes to be linked to these income levels.

209. This implies that the percentage of market rents associated with this AH tenure should be reduced from 80%, or that the tenure is abolished and the social rented category be extended to cover those dwellings otherwise ear-marked for affordable rent.

3.5.5.4 Affordable Housing type allocations

Below, in **Table 21** we put forward recommendations of how the AH quota should be divided between the tenure types based on our analysis of affordability and the emerging policy context at the national level. This envisages a substantial uplift in the level of various forms of intermediate housing, including shared ownership and 'starter homes.' This builds on findings from the HNSR study that, of the 44 households identified, 20 of the households in need of affordable housing indicated a preference wanted to rent from a Housing Association (52.6%) and 9 to purchase a property on the open market (23.7%). 6 were seeking a shared-ownership property (15.8%) and 3 wished to rent from a private landlord (7.9%). Six respondents did not complete the question[29].

210. Below we put forward a recommended AH tenures using the evidence we have gathered as a basis. The tenure 'affordable private rent housing' is discussed in the next section.

Table 21: Allocation of AH tenure types

Tenure type	%
Social rented housing	80
Affordable rented housing	0
Intermediate housing (discounted market sales and affordable private rent housing)	20

Source: AECOM Calculations

3.6 RQ3. What type of market housing (private rented and housing for sale) should be included in the housing mix?

211. Given the limited quantity of Affordable Housing in the NPA, the needs of the great majority of the people will continue to be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.

212. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market

[28] AHNMU14, page 81
[29] HNDS, page 26

preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check.

213. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

3.6.1 Build to rent

214. As we have seen, there is evidence of growing demand for private rent accommodation in the NPA. This is supported by evidence at the Housing Market Area level. Below in , we reproduce Figure 12 from the AHNMU14 which reveals the increase in private rental lettings between 2010 and 2014.

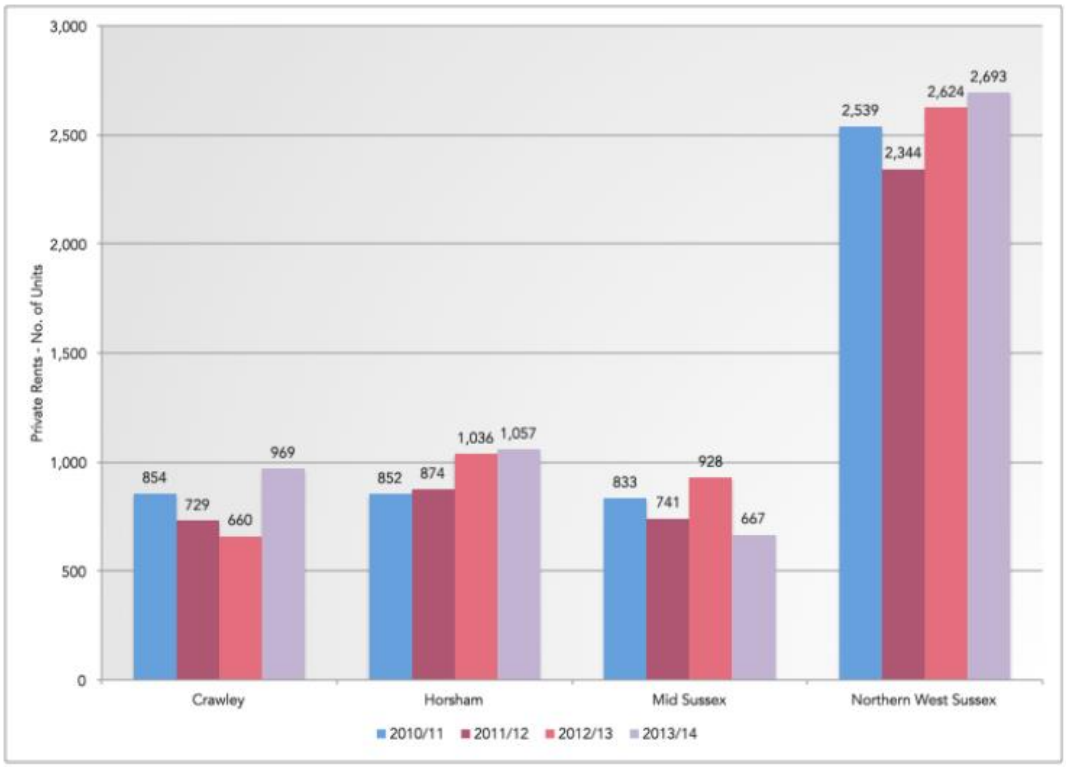


Figure 11: Annual Private Rental Lettings for Northern West Sussex Authorities, Q2, 2010 – Q1, 2014

Source: VOA, 2010-2014

215. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.

216. Given the trends identified in this HNA, Henfield should seek build to rent (BTR) development, which may include an element of affordable housing and is likely to be brought forward by specialist developers funded by institutional investors. This should provide accommodation of higher quality than is available through the traditional small private landlord.

217. The Housing White Paper proposed a number of modifications to the definition of affordable housing for planning purposes. One of these is Affordable Private Rent Housing (APRH); this is housing made available for rent at a level which is at least 20 per cent below local market rent. It is envisaged such housing would be delivered as part of BTR schemes.

3.7 RQ4. 'What type and size of dwellings are suited to the following categories: older people first time buyers and young families.'

3.7.1 Sheltered and extra-care housing

218. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered[30] and extra care[31] housing as part of the delivery of new housing. Within a few years, those residents currently in the 65-84 category will be in need for significant levels of care and may not be able to cope in their own homes. **Table 22** below estimates the growth in the population of over 75s between 2011 and 2031.

Table 22: Change in the population of over 75s between 2011 and 2031

Age band	2011			2031		
	Population (Henfield)	Population (Horsham)	Percentage of population	Population (Horsham)	Population (Henfield)	Projected 75+ population (Henfield)
All ages	5,349	131,301	4%	149,978	5,999	
75+	1,552		29%	23,197	29%	1,739

Source: 2014-based Sub-national population projections, DCLG and Census 2011 (ONS) AECOM calculations

219. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's (HLIN) suggested numbers per 1,000 of the 75+ population[32]. The table above, shows an estimate of the increase in the numbers of older people aged 75+ of 187 (1,739-1,552). This methodology assumes that the proportion of people aged 75+ of the overall population will remain the same (29%) and will only increase as the overall size of the population increases. Using this methodology this will result, over the plan period, in a need for:

- additional conventional sheltered housing units = 60 x 18.7% = 11 (rounded)
- additional leasehold sheltered housing units = 120 x 18.7% = 22 (rounded)
- additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = 20 x 18.7% = 4 (rounded)
- additional extra care housing units for rent =15 x 18.7% = 3 (rounded)

[30] Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: http://www.housingcare.org/jargon-sheltered-housing.aspx (accessed 11/04/17)

[31] New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. http://www.housingcare.org/jargon-extra-care-housing.aspx (accessed 11/04/17)

[32] Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf

- additional extra care housing units for sale = 30 x 18.7% = 6 (rounded)
- additional specialist dementia care homes = 6 x 18.7% = 1 (rounded)

3.7.2 Retirement villages

220. It is important to note that there is no obligation for these all to be provided within the parish itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so. As such, these 41 specialist dwellings need not be thought of as all needing to be provided within the neighbourhood plan housing target- rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the parish itself.

221. This specialist dwelling need is likely therefore to be split between the parish and the rest of the district, which will enable the elderly to live either within or as close to the parish as possible, taking account of the fact that Henfield is unlikely to be able to provide many of the specialist housing types needed within its own boundaries- although there could be the potential for these to be provided at, for example, Haywards Heath or Burgess Hill taking account of their higher levels of accessibility to services and facilities, which will help in the recruitment and retention of specialist care staff and enable economies of scale (e.g. a centralised dementia care unit or enhanced sheltered development serving a widely dispersed rural population from a single location).

222. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement 'villages' are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply.

223. Given the numbers of units that result from the HLIN analysis, there is a need for appropriate housing for older residents and a careful assessment should be undertaken as to the suitability of the settlement for development of this kind. Accessibility to key services is an important consideration, as well as sustainable transport connections that enable staff to come and go. For this reason, other settlements in the area, such as Steyning, Worthing, Lancing or Shoreham may be more appropriate locations.

224. Such schemes should be explored through joint working with HDC and other parishes to identify sites that could address collective need.

3.7.3 Senior Co-housing

225. Co-housing has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill[33] and LILAC in Leeds[34]. In the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting, eating and shared activities.

3.7.4 Multi-generational homes

226. Multi-generational living has been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.[35]

[33] http://www.featherstonecohousing.co.uk/ (visited 12/04/17)
[34] http://www.lilac.coop/ (visited 12/04/17)
[35] RIBA, Silver Linings, The Active Third Age and the City, Page 17-18

227. The phenomenon of the aging population has an up-side; with increases in the quality of health-care, older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, older people have good opportunities to take on both voluntary and paid work, for example looking after grandchildren, supporting charities or taking care of others.

3.7.5 Lifetime Homes

228. While not required to do so by law, many local authorities choose to incorporate policy into their Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and through doorways should be as convenient to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.[36]

3.7.6 Right-sizing

229. As we have identified earlier, there is a need for a greater number of the type of dwellings that facilitate 'right-sizing' for older people. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays.

230. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.[37]

3.7.7 Planning flexibility[38]

231. Planning policy can be mobilized to encourage properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address 'lifetime homes' criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens.[39] This is not dissimilar to the practice of 'alley-gating' where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

3.7.8 Lifetime neighbourhoods

232. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers life-time neighbourhoods, in which the public realm is designed to address the needs of older people, and activates the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example providing more greenery and more walkable, better connected places.

233. Given the expanded role of neighbourhood planning around design outlined in the Housing White Paper of 2017[40], a compelling notion is that of 'the amplification of impact of micro-environmental features' to describe that particular way in which we become more sensitive to the ordinary, smallest features of urban space as we age. This places a particular emphasis on care and

[36] http://www.lifetimehomes.org.uk/pages/about-us.html
[37] Housing LIN, New Approaches to Housing for Older People, June 2014, page 6
[38] HDC comments as follows: there exists 'no such policy in the HDPF. This would involve a significant land assembly exercise and probably impractical for a NP allocation' (Norman Kwan, 24/08/17) AECOM would comment in reply that it is the purpose of NDPs to add value and local specificity to the Local Plan, one way of doing this is introducing new policy, so long as this serves a justifiable need.
[39] Gobber, S, A Bright Grey Future, Urban Design Group Journal, Spring 2016, page 29
[40] HMG, Fixing our broken housing market, page 29

reflection in how we design, for example paths and public seating; this, in turn, calls for the participation of older people in the process of design.

234. Design approaches exist that provide a starting point for locally informed policy development in this area, these include Manchester's Design for Access 2 and the work of Inclusive Design for Getting Outdoors (IDGO); IDGO have identified material features that make everyday negotiation of urban space that much easier for older people; these include wide and flat tarmac footways, easy transition level changes, clear, simple and visible signage, frequent warm and supportive seating and well-maintained, safe and open toilets.[41]

235. In addition, the notion of 'pensioner play-grounds,' 'green-gyms,' community gardens and various forms of guerrilla gardening (for example the Edible Todmorden project) encourage active use of public space and facilities on the part of an older demographic.

3.7.9 Age-friendliness

236. Since the millennium policy at the international level has been directed towards a more holistic appreciation of what an 'age-friendly' urban environment looks like. It has been remarked this should extend beyond physical installations, such as public seating and access to WCs, but embrace means mobilising civic agency among older group to forestall incipient marginalisation, enabling them to continue to make a full and active contribution to community life.[42]

237. In 2006 the World Health Organisation (WHO) began developing the 'Age-Friendly Cities' movement, now a worldwide network of over 200 member cities around the world. They have produced a guide that offers a way of analysing the city from the perspective of older people, using a framework of inter-related domains: transportation, housing, social participation, respect and social inclusion, communication and information, civic participation and employment, health and community services.

238. Considering the housing domain, the WHO study identifies a check list of attributes necessary to foster a sense of belonging and well-being among older people. In addition to affordability and designing accommodation with the needs of older people in mind, the adaptability of dwellings is important, for example their capacity to accommodate chair-lifts that enable older people to continue to live in two-storey homes43.

239. The WHO also identified access to services, particularly those that become increasingly important as people get older, such as places of worship and community centres.44 Moreover, optimising well-being has much to do with being able to maintain links with existing networks, which is best achieved by enabling people to remain in their existing communities for as long as possible. In the Australian city of Melville small clusters of senior's housing with small gardens are made available throughout the city, so that older people are not isolated from the community and particularly from children.45

3.7.10 Housing for people with Dementia

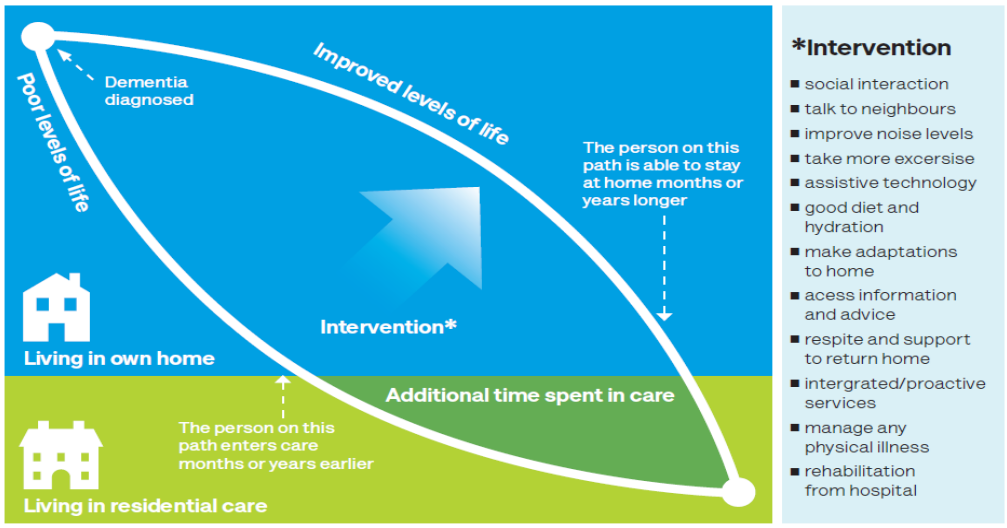
240. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates46. The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable.

241. Selwood Housing in the South West has pioneered approaches that help overcome these, for example the installation of property exit sensors to inform a monitoring centre when tenants leave their home and then not return within a pre-determined time.

242. In **Figure 12** below we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

[41] RIBA/Age UK, An Alternative Age-Friendly Handbook, page 54/55
[42] RIBA/Age UK, An Alternative Age-Friendly Handbook, page 16
[43] World Health Organisation: Global age-friendly cities: a guide, page 32
[44] Ibid, page 33
[45] Ibid, page 35
[46] Alzheimer's Society, Dementia-friendly housing charter, page 13

Figure 12: Dementia care chart



Source: Dementia Services Development Centre, 2013

3.7.11 The role of the Local Authority

243. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people. It is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the district.

4. Market Signals

244. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

245. The PPG states:

The housing need number suggested by household projections (the starting point) 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. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.[47]

246. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the housing market.

247. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising

[47] http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019

prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (egg, the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.[48]

248. In discussions with HPC and HDC as to the appropriate levels of market dwellings in the NPA it will necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:

- Employment and commuting trends;
- Housing transactions (prices);
- Housing transactions (volume);
- Migration
- Overcrowding; and
- Rate of Development.

4.1 Employment and commuting trends

249. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of the Henfield NPA.

250. **Table 23** below demonstrates the significant number of out-commuters in Horsham district, with a net commuting outflow of around 10,000. As a result, employment in the NPA, and therefore demand for housing, is influenced by economic trends at a regional scale extending beyond Horsham to the wider Gatwick Diamond and Greater London economic areas. The Gatwick Diamond has an emerging role as an economic hub in West Sussex, as it aims to improve business stock, grow gross value added, and attract investment in the area, which will drive demand for new housing in Horsham District. As well as this, Henfield is in the Coast to Capital Local Enterprise Partnership area, which from 2014 to 2020 aims to create 60,000 new jobs, 26,000 more homes, and 970,000 sqm of new employment space. This growth is further concentrated into nine priority growth locations across the Local Enterprise Partnership Area, shown in **Figure 13** below. Based on ONS data, over 60% of residents in Henfield commute up to 30km (see **Table 24** below), which puts the following areas in the main commuting zone: the Heart of the Gatwick Diamond, Burgess Hill, Brighton & Hove, Shoreham-by-Sea, the Chichester to Worthing Coastal Corridor, and importantly the proposed Newhaven Enterprise Zone (see **Figure 13** below). Therefore, it is reasonable to expect further growth in demand for housing as a result of employment growth in these locations.

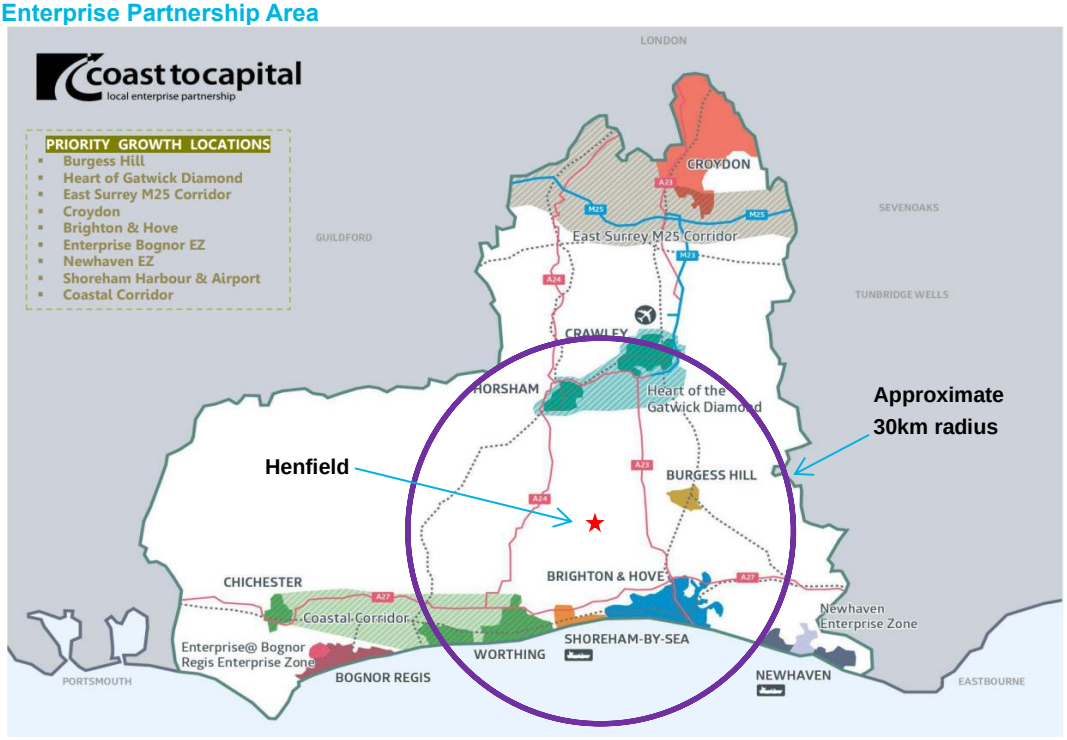
Table 23: Commuting Patterns in Horsham (2011)

	Number/ Ratio
Live and work in District	24,413
Home workers	9,937
No fixed workplace	5,664
Out-commute	26,688
In-commute	16,728
Work offshore or abroad	166
Total working in District	56,742
Total living in District (and working)	66,868
Commuting ratio	1.18

Source: 2011 Census/HNHD15

[48] http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_020

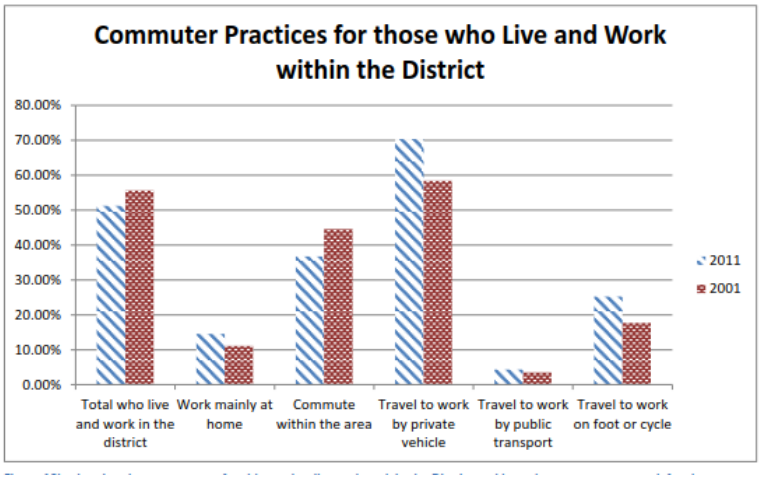
Figure 13: Map of current and future growth capacity and spatial priorities in the Coast to Capital Local Enterprise Partnership Area



Source: CtCSEP14

251. In spite of commuter outflow to surrounding areas, there has also been significant growth of approximately 4% in the last 10 years of those working from home in both Henfield and in Horsham, as shown in **Figure 14** below.

Figure 14: Commuter Practices for those who live and work within the district



Source: 2011 Census/HDEP16

252. Henfield in particular has a high proportion of residents working mainly from home, which is set against much lower rates of home working in England as whole (10.3%), as shown in **Table 24** below. The number of home-based businesses has likely to have increased further since this period[49]. Furthermore, Horsham has the best survival rates for new businesses of any region in England after the South East[50]. This could mean the potential for employment growth, but is unlikely to be significant at this scale.

[49] HDEP16, pp. 30
[50] HDEP16, pp. 29

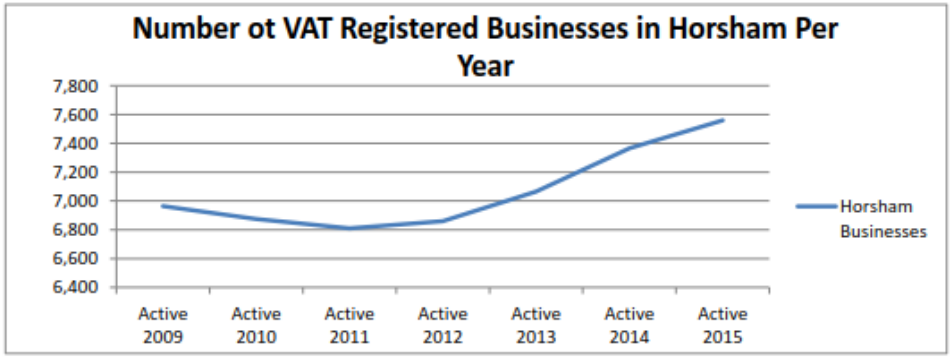
Table 24: Distance to work, 2011

Location of work	Henfield	Horsham	England
Less than 10km	27.7%	34.3%	52.3%
10km to less than 30km	36.0%	28.5%	21.0%
30km and over	10.8%	13.8%	8.0%
Work mainly at or from home	17.1%	14.6%	10.3%

Source: ONS Census 2011, AECOM Calculations

253. The Horsham District Economic Profile also shows there has also been a significant growth in the number of VAT registered businesses based in Horsham[51], as shown in **Figure 15** below, overtaking their pre-recession level and suggesting strong recovery and a surge in employment growth, which Will drive overall economic activity, and feed into increased demand for housing.

Figure 15: Number of VAT Registered Businesses in Horsham Per Year



Source: ONS Business Demography 2008 to 2015/HDEP16

254. Indeed, Horsham's population is highly educated, providing a strong skills base for such employment growth. Horsham's has a higher rate of those with NVQ4 and above level than both West Sussex and the South East, fully 8% higher than Great Britain as a whole, as shown in **Table** 25 below.

Table 25: Level of Education Qualification of Working Age Residents in the District, County, Region and Country

Qualifications	Horsham	Horsham	West Sussex	South East	Great Britain
	Actual	%	%	%	%
NVQ4 and above	35,600	45.2%	38.5%	39.8%	37.1%
NVQ3	13,500	17.1%	18.1%	19.0%	18.7%
NVQ2	12,400	15.8%	19.3%	18.0%	17.8%
NVQ1	8,900	11.3%	13.6%	11.7%	11.3%
Other qualifications	5,200	6.7%	5.0%	5.2%	6.5%
No qualifications	3,100	3.9%	5.5%	6.3%	8.6%

Source: ONS Crime Statistics/HDEP16

255. For both those commuting out of the district and those working inside it, including at home, the current socio-economic classification reiterates the view of a highly educated population: Horsham has a higher proportion of its population in the "Higher Managerial, Administrative and Professional Occupations" and "Lower Managerial, Administrative and Professional Occupations" than both the West Sussex and South East and England and Wales as whole. Indeed, approximately 41% of the population fell into this category, vs just 31% for England and Wales, as shown in **Table 26** below. This strong skills base, has significant potential to enable further economic growth, beyond that of even the surrounding West Sussex economic area. This is reiterated by the historic trend for Horsham shown in Error! Reference source not found. below, showing employment growth for the period 1998-2006.

[51] HDEP16, pp. 27

Table 26: Distribution and Type of Jobs occupied by Residents in the District, County, Region and Country

Socio-economic classification	Horsham	Horsham	West Sussex	South East	England and Wales*
	Actual	%	%	%	%
1 Higher Managerial, Administrative and Professional Occupations	14,337	15.2%	11.7%	12.6%	10.3%
---1.1 Large Employers and Higher Managerial and Administrative Occupations	3,336	3.5%	2.8%	2.9%	2.4%
---1.2 Higher Professional occupations	11,001	11.7%	8.9%	9.7%	7.9%
2 Lower Managerial, Administrative and Professional Occupations	24,652	26.1%	23.7%	23.4%	20.8%
3 Intermediate Occupations	13,406	14.2%	14.7%	13.6%	12.7%
4 Small Employers and Own Account Workers	11,041	11.7%	11.2%	10.2%	9.4%
5 Lower Supervisory and Technical Occupations	5,825	6.2%	6.9%	6.5%	6.9%
6 Semi-Routine Occupations	10,612	11.3%	13.8%	12.7%	14.1%
7 Routine Occupations	6,431	6.8%	8.6%	8.9%	11.1%
8 Never Worked and Long-Term Unemployed	2,360	2.5%	3.2%	3.7%	5.6%
Not Classified (Full-Time Students)	5,654	6.0%	6.2%	8.3%	9.0%

Source: 2011 Census/HDEP16

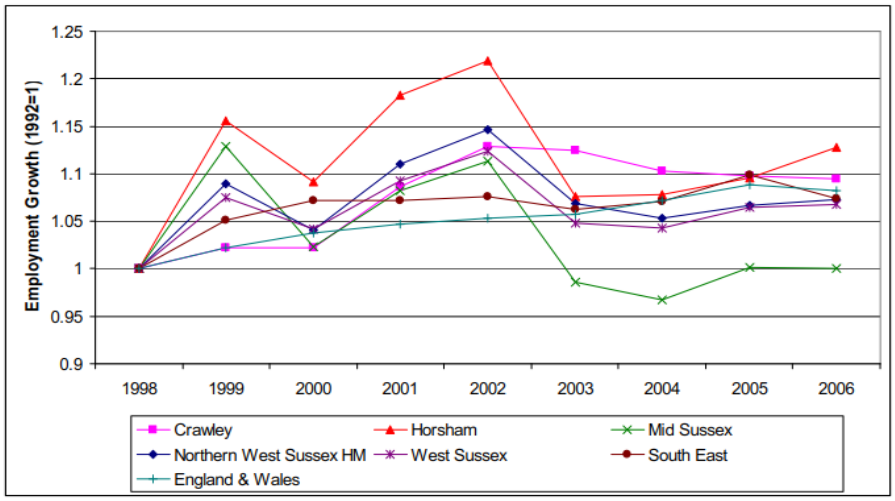


Figure 16: Employment Growth, 1998-2006

Source: ABI/GVA Grimley/SHMA09

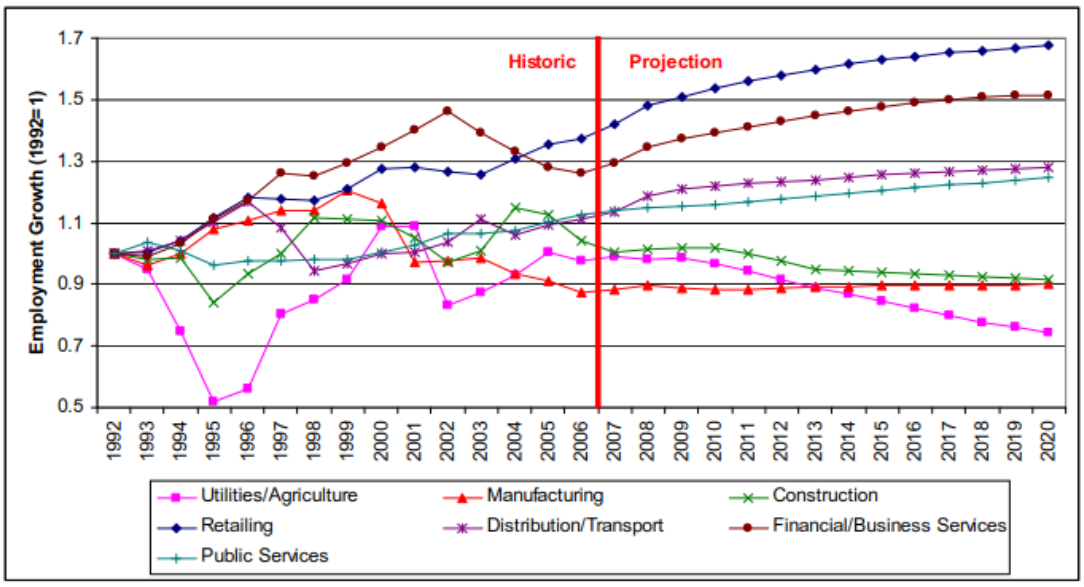
256. In terms of specific employment sectors, **Table 27** below shows that Horsham has particularly concentrated financial intermediation, education, manufacturing and retail sectors. **Figure 17** below shows that the major growth sectors in the West Sussex Employment Market are projected to be retailing, financial/business services, distribution/transport, and public services. Therefore, it is reasonable to assume that Horsham's economy is likely to see significant growth due to its competitive advantage particularly in the manufacturing sector, within the wider West Sussex Economic Area.

Table 27: Location Quotient of Selected Sectors v South East in Northern West Sussex

	Agriculture	Mfg	Retail	Hotels etc	Transport	Financial Intermediation	Other Business Services	Public Administration	Education	Health & Social Work
Crawley	0.1	1.1	0.8	1.0	5.3	1.2	0.8	0.8	0.5	0.3
Horsham	0.9	1.3	1.1	0.9	0.6	1.2	1.0	0.5	1.2	0.7
Mid Sussex	1.3	1.0	1.0	0.9	0.6	2.3	0.8	0.6	1.1	1.2
Northern West Sussex HM	0.7	1.1	0.9	0.9	2.6	1.5	0.9	0.7	0.9	0.7
West Sussex	1.6	1.1	1.0	1.0	1.6	1.3	0.8	0.9	1.0	1.3

Source: ABI 2006/SHMA09

Figure 17: Sector Growth Forecasts for West Sussex 1992 to 2020



Source: Experian/GVA Grimley 2006/SHMA09

4.2 Housing transactions (prices)

257. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand[52]. The PPG states houses prices can be used to provide a 'market-base' enabling: "*the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility*."

258. Henfield falls into the south part of the Northern West Sussex HMA, an area that offers "attractive smaller settlements offering high quality of place and a housing offer focused more towards larger properties with strong demand"[53]. Henfield has around average house prices for the region, as demonstrated by Error! Reference source not found. below showing variations in house prices at the local level for 2007.

[52] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments
[53] NWS SHMA 09 p.35

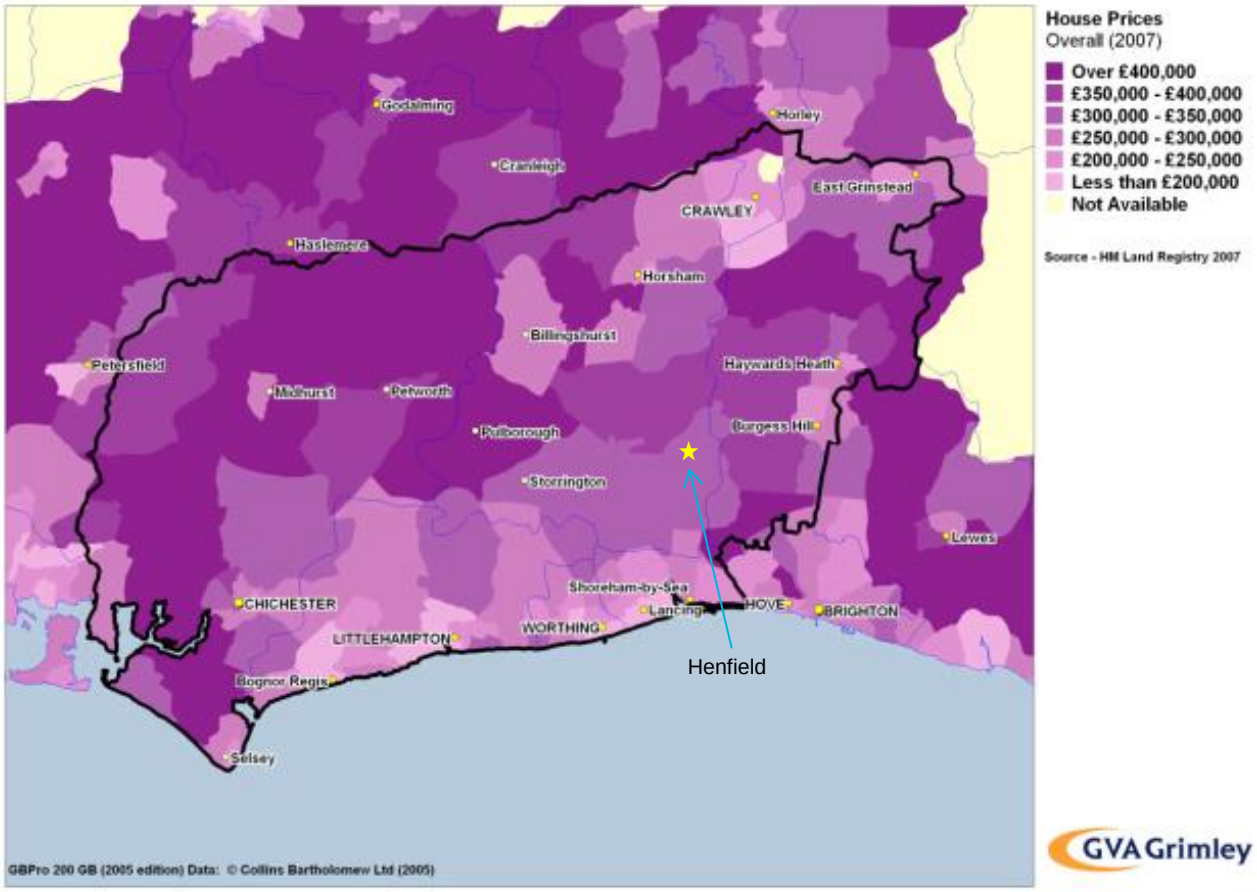


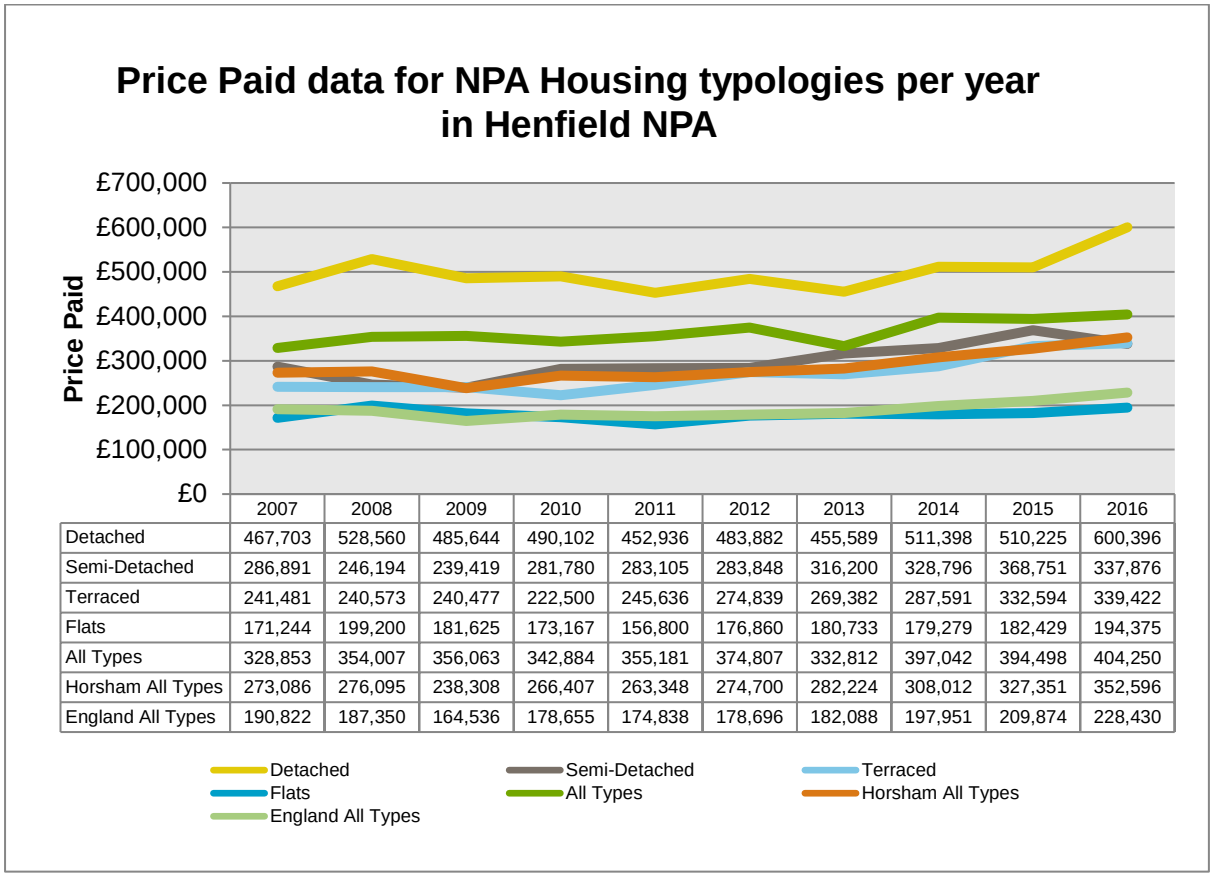
Figure 18: Overall House Prices 2007

Source: GVA Grimley 2006/SHMA09

259. To assess more recent movements in the house market in the Henfield NPA we have analysed data from the Land Registry. This data provides price paid, housing type and date of transaction information which allows housing market trends to be identified. To replicate the NPA, post code data was gathered using website 'Doogal', which allows all the post codes in a given area to be retrieved. The post codes included in the NPA included some from BN44 and BN5. Data was then downloaded for the period of January 2007 to December 2016 and is presented annually in Figure 19 below. It should be noted that this data is not as robust as that which could be provided by the local authority, and as such the figures should be viewed as estimates.

260. **Figure 19** below shows that the combined mean house prices of the NPA, which increased from £329,000 in 2007 (rounded) to £404,000 (rounded) in 2016. This represents an increase of approximately 23% over a ten year period. Across housing types however, this trend was not consistent, with semi-detached dwellings seeing an 18% increase and flats seeing just a 14% increase in prices over the period. Terraced houses saw a more significant increase, with a 41% rise over the period and similarly a 28% increase with detached houses. This was in contrast to Horsham District as a whole, which saw greater, though still inconsistent increases of between 36%-63% across the various housing types.

Figure 19: Land Registry data showing 'price paid' data for the Henfield NPA



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Detached	467,703	528,560	485,644	490,102	452,936	483,882	455,589	511,398	510,225	600,396
Semi-Detached	286,891	246,194	239,419	281,780	283,105	283,848	316,200	328,796	368,751	337,876
Terraced	241,481	240,573	240,477	222,500	245,636	274,839	269,382	287,591	332,594	339,422
Flats	171,244	199,200	181,625	173,167	156,800	176,860	180,733	179,279	182,429	194,375
All Types	328,853	354,007	356,063	342,884	355,181	374,807	332,812	397,042	394,498	404,250
Horsham All Types	273,086	276,095	238,308	266,407	263,348	274,700	282,224	308,012	327,351	352,596
England All Types	190,822	187,350	164,536	178,655	174,838	178,696	182,088	197,951	209,874	228,430

Source: Land Registry, AECOM Calculations

261. In 2007, prices paid for all types of housing were higher in Henfield than in Horsham. By 2016, this trend has changed, with semi-detached houses and flats having a lower average price in Henfield than in Horsham (see **Table 28** below). **Table 28** below also shows that prices paid in Henfield across all dwellings were 21% higher than in Horsham in 2007, and thus were rising from a high base. By 2016, prices in Henfield were, across all dwelling types, only 9% higher than Horsham as a whole.

Table 28: Difference between average house prices by type for Henfield and Horsham, at the start of 2007 and end of 2016

	Start of 2007			End of 2016		
	Henfield	Horsham	% Difference	Henfield	Horsham	% Difference
Detached	£467,703	£399,421	15%	£600,396	£595,742	1%
Semi-Detached	£286,891	£253,357	12%	£337,876	£366,551	- 8%
Terraced	£241,481	£208,172	14%	£339,422	£296,065	13%
Flats	£171,244	£156,375	9%	£194,375	£200,270	- 3%
All Types	£328,853	£259,532	21%	£404,250	£369,438	9%

Source: Land Registry, AECOM Calculations

262. No single housing type in Henfield outperformed those in the District as a whole in terms of house price growth over the ten year period (see **Table 29** below). This difference in house price growth is further contrasted when comparing growth in Henfield with West Sussex, as shown by historic trends from the SHMA 2009, shown in Error! Reference source not found. below. This demonstrates that between 2002-2007 Henfield experienced between 40%-50% house price growth, whilst many other areas in the District experienced growth of 50—80% and some outliers experienced growth of up to 250%.

Table 29: Price Growth from 2007 to 2016 in Henfield and Horsham

	Henfield	Horsham	% Difference
Detached	28%	49%	-21%
Semi-Detached	18%	45%	-27%
Terraced	41%	42%	-2%
Flats	14%	28%	-15%
All Types	23%	42%	-19%

Source: Land Registry, AECOM Calculations

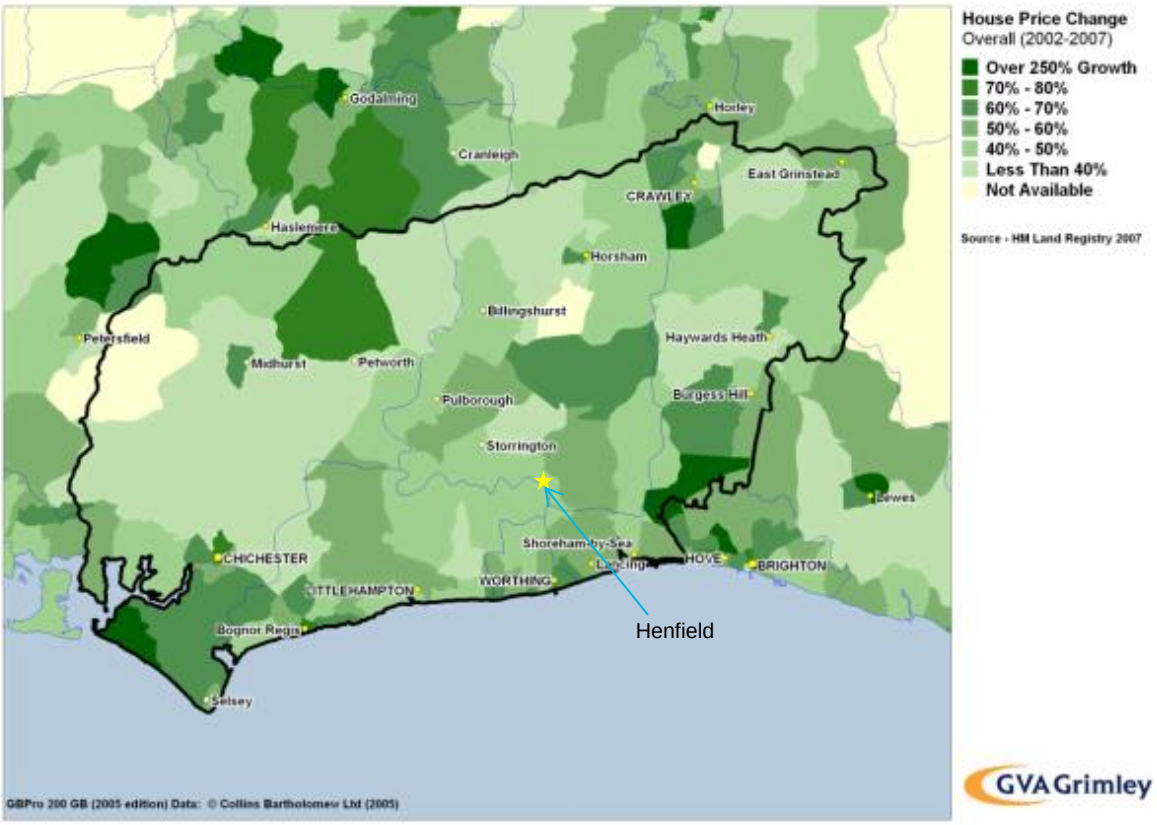


Figure 20: Price inflation, overall house prices, 2002-2007

Source: GVA Grimley 2007/SHMA09

263. Furthermore, Error! Reference source not found. below from the Northern West Sussex SHMA outlines the relative prices of the sub-housing market areas regarded as comparator areas for Horsham. Although the data is for a different period of study the relationship between the different areas is still useful. Error! Reference source not found. shows that Horsham as a whole has historically possessed higher average house prices compared to the rest of the wider Housing Market Area (HMA). The fact that prices are increasing at a lower rate in Henfield compared with Horsham and this rate is also low in Horsham compared with the HMA, suggests that there is less demand in Henfield than the wider HMA.

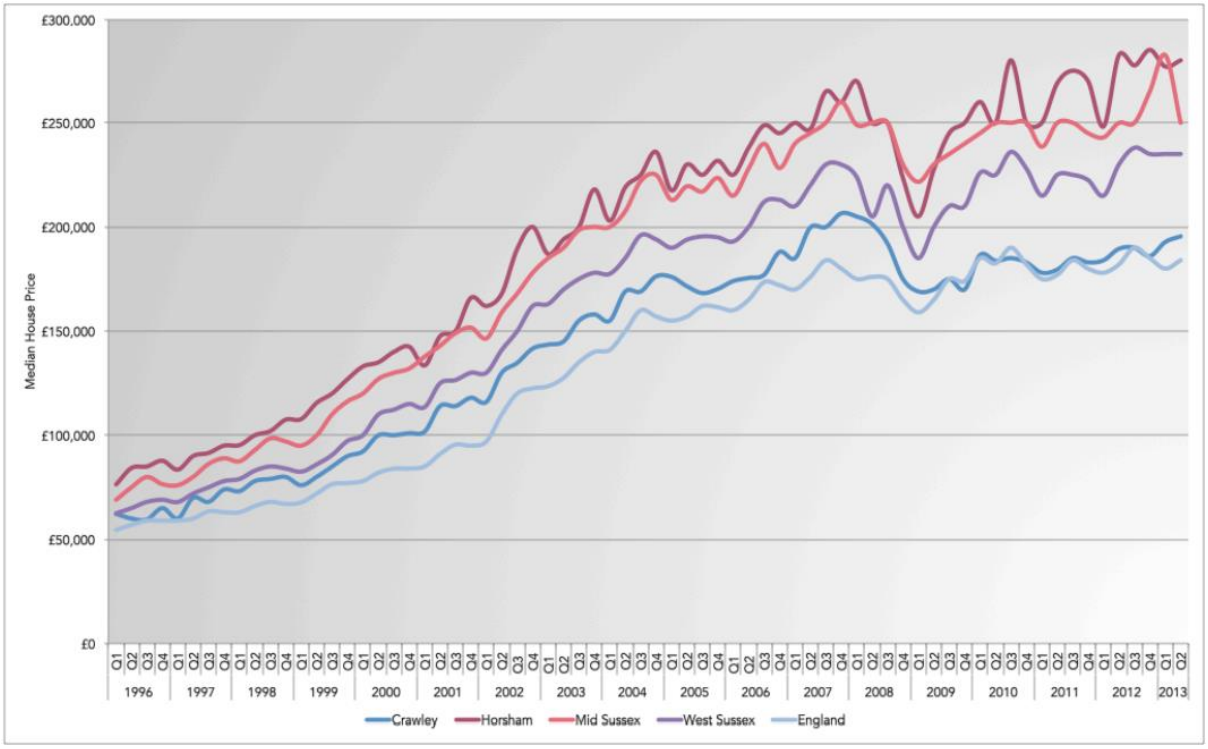


Figure 21: Median house price (1996-2013)

Source: SHMA Update 2014/CLG Table

4.3 Housing transactions (volume)

264. Error! Reference source not found. below depicts the relative proportions of different housing typologies sold in the Henfield NPA between 2007 and 2016. This graph represents the same Land Registry data as discussed in the previous section separated out by housing type which can therefore be compared to the overall proportions of housing stock with the NPA, as shown in **Table 30**, to indicate the relative matching between supply and demand in the area. This data is comprised of 1049 transactions for approximately 2405 dwellings (as this has changed on an annual basis).

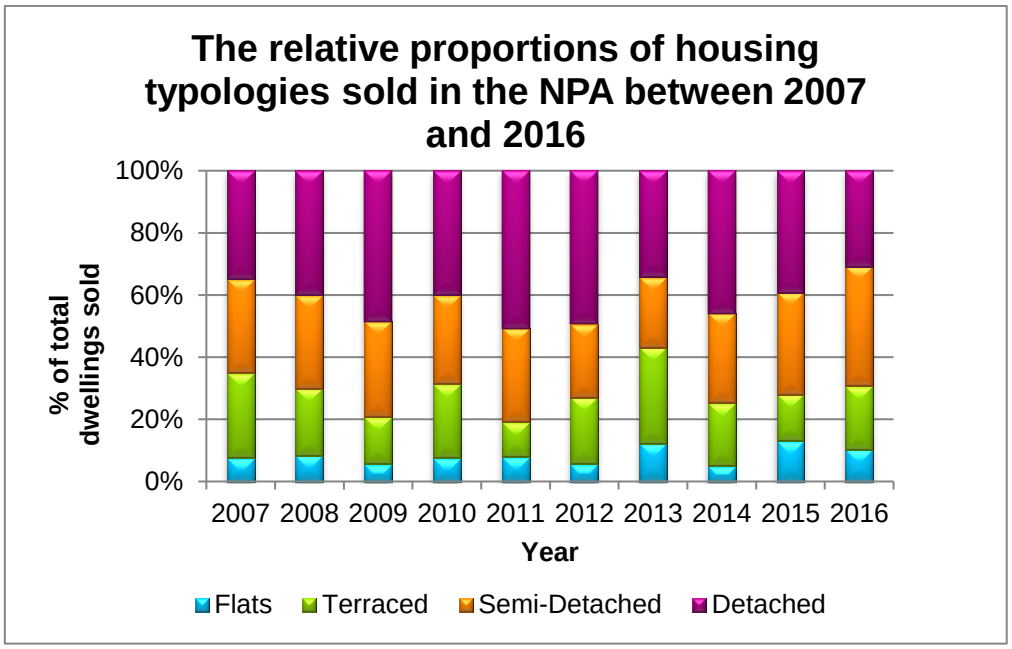


Figure 22: The relative proportions of housing typologies sold in the NPA between 2007 and 2016.

Source: Land Registry, AECOM Calculations

265. As shown in **Table 30** below, the majority of houses sold in the NPA are detached, followed by semi-detached dwellings. Furthermore, detached dwellings represented the highest proportion of houses sold over the period except in 2016 when a higher proportion of semi-detached houses were sold. In addition, **Table 30** shows that there are relative consistencies between supply of housing types (the overall housing stock in the NPA) and the proportions of housing types purchased in the NPA. In particular however, sales of terraced houses are 7% higher than expected based on housing stock, while flats are 6% lower. This demonstrates that there is a greater demand for terraced houses than is provided for, and the opposite is true for flats where percentage of total housing stock outstrips percentage of total sold in the NPA.

Table 30: Housing market transactions and housing stock proportions for the NPA.

Housing type	Percentage of total sold in NPA 2007-2016 (PPD, rounded)	Percentage of total housing stock 2011 (ONS, rounded)
Detached	41%	40%
Semi	29%	31%
Terraced	22%	15%
Flats	8%	14%

Source: Land Registry Price Paid Data, ONS Census 2011 and 2001, AECOM Calculations

4.4 Migration

266. Error! Reference source not found. below, from the most recent SHMA update for Horsham, HNHD15, shows that migration is the key driver of population change and in particular internal migration (i.e. moves from one part of the country to another). This is corroborated by the SHMA09, which shows that in the years 1996-2006, Horsham experienced the highest level of population growth, of approximately 10%, of any district in the Northern West Sussex Housing Market Area, totalling more than 10,000 people[54] and that this was driven in large part by migration from London and from Brighton[55]. This has contributed to population growth of 7% in Henfield from 2001 to 2011, slightly lower than for Horsham district as a whole, 8% (see **Table 31** below).

Table 31: Population Growth in Henfield and Horsham, 2001-2011

	Henfield	Horsham
2001	5010	122088
2011	5349	131301
% Change	7%	8%

Source: ONS Census 2011, AECOM Calculations



Figure 23: Components of Population Change, mid-2001 to mid-2013 – Horsham

Source: Census 2011/HNHD15

[54] SHMA09, pp. 103
[55] Ibid.,pp. 104/105

267. The recent Horsham Economic profile hypothesized that the greater migration seen for the older group of children (age 5-15) seen in Error! Reference source not found. below is a relative indicator of more older families migrating to Horsham District than prior to the 2001 census, potentially as a result of less affordable housing options for new families. Furthermore, it suggested that the negative net migration for those aged 16 to 24 may be due to a lack of further education opportunities and affordable accommodation in the district.

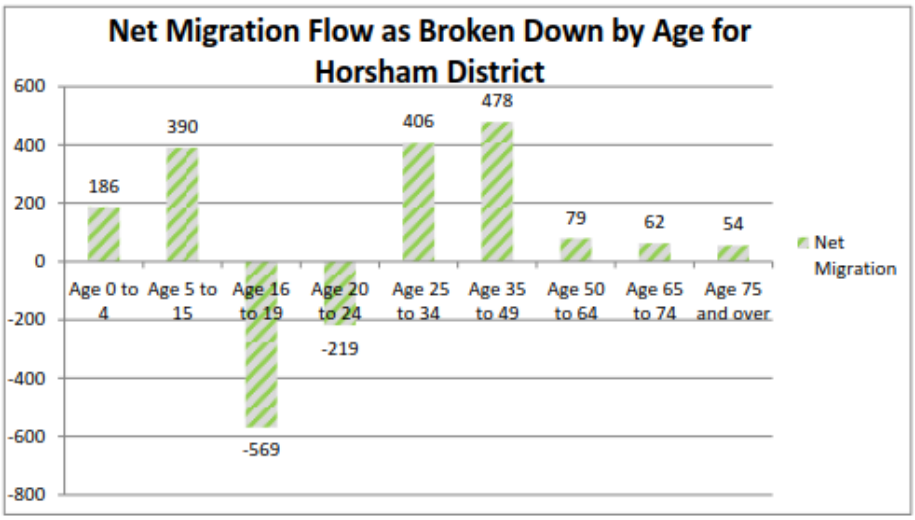


Figure 24: Net movement of each age group into and out of Horsham District

Source: Horsham Economic Profile, December 2016

4.5 Overcrowding and concealed families

268. Another indicator of demand in the housing market is shown by the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock as increased demand does not always result in an increase in supply, given the relative inelasticity of the supply of housing.

269. One indicator which can be used to assess the relative overcrowding experienced in the Henfield NPA is the trend in the number of persons per room and how this has changed over the period between the two most recent censuses, as shown in **Table 32** below.

270. **Table 32** below shows that the proportion of households in Henfield living in the most dense category has stayed constant, however this reflects the very small sample size, i.e. from zero to one household. The second most dense category, of over 1.0 and up to 1.5 persons per room has seen a 20% increase in Henfield, but this represents a small sample size, moving from 15 to 18 people and is in line with the district. Indeed, approximately 80% of households lived in the least dense category of up to 0.5 person per room, an increase of approximately 7% since 2001, as shown in Error! Reference source not found.**Table 32** below. This data supports the view that Henfield does not suffer from overcrowding, and certainly not to the extent indicated for Horsham as a whole by HNHD15 15, which identified significant growth in both multiple occupation and overcrowding within the district as a whole.

Table 32: Trends in number of persons per room in Henfield, 2001-2011

Persons per room	Henfield	Horsham	England
Up to 0.5 persons per room	6.8%	10.9%	7.9%
Over 0.5 and up to 1.0 persons per room	15.3%	5.8%	7.0%
Over 1.0 and up to 1.5 persons per room	20.0%	22.0%	27.3%
Over 1.5 persons per room	0.0%	29.5%	2.5%

Source: ONS Census 2011

271. **Table 33** below shows that there is evidence of 16 concealed families within the Henfield NPA, an indicator of a lack of affordability. This means that there are 16 'hidden families' living within multi-family households, in addition to the primary family, such as a young couple living with parents. Whilst this may be seen to indicate under-provision in the NPA, this rate is broadly in line with the Horsham average in terms of overall percentage. Furthermore, this Henfield value may be over represented due to the relatively small sample size.

Table 33: Concealed families in Henfield, 2011

Concealed families	Henfield	Horsham	England
All families: total	1,591	38,935	14885145
Concealed families: total	16	451	275954
Concealed families as % of total	1.0%	1.2%	1.9%

Source: ONS Census 2011

4.6 Rate of development

272. Data provided by the LPA in **Table 34** below shows that there were 167 dwelling completions in Henfield Parish between 2010 and 2016[56]. There has been an increase in the pace of delivery from 2012, mainly due to the financial crisis, which depressed completions from 2010 to 2012. There has also however been a slowing in pace of delivery since 2013, notably with a low number of units built relative to permitted in 2014/15. The drop in number of built units from 2012/13 may be because of the disproportionate figure for 2012/13 due to the approval of a large residential development in that year, including the 102 homes on land east of Manor Close[57].

Table 34: Housing Completions Data for Henfield Parish

Survey Year	Parish	Permitted	Built Units	Losses
2010/11	HF	3	2	1
2011/12	HF	14	5	1
2012/13	HF	147	91	3
2013/14	HF	37	37	0
2014/15	HF	88	21	2
2015/16	HF	11	11	1
TOTAL		**300**	**167**	**8**

Source: Horsham District Council

273. The effect of the financial crisis is reflected in the drop in housing supply focused on the year 2010/2011 across the Northern West Sussex Housing Market Area, as shown in Error! Reference source not found. below. The chart also demonstrates the relative strength of Horsham's housing market recovery, particularly when set against nearby Crawley, and the dip in supply in Mid-Sussex for 2013/14, the last year for which data is available. Needless to say, housing supply has not, in the years for which data was available, surpassed more than 80% of projected need for the housing market area, as shown below, although in the year 2013/2014 Horsham did deliver more than the 800 homes set as an annual target in its 2015 District Planning Framework[58].

[56] HDC, 2017
[57] Richborough Estates (http://www.richboroughestates.co.uk/live/appeals/appeals157.asp)
[58] HDPF15, pp. 54

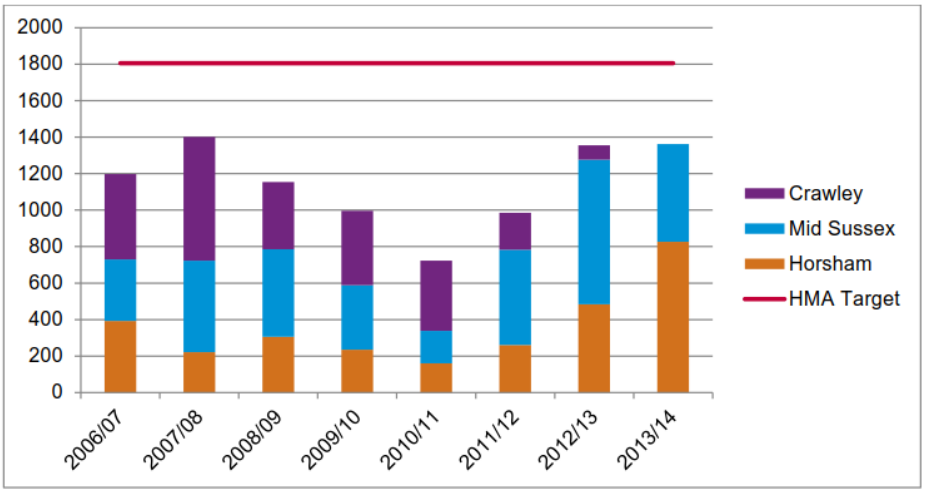


Figure 25: Housing Supply vs. Past Targets, 2006/07-2013/14

Source: Local Authorities' Annual Monitoring Reports/HNHD15

274. **Table 35** below, compiled from ONS Census data shows the total number of dwellings for Henfield and Horsham in 2001 and 2011. This shows that Henfield has seen growth in number of dwellings over this 11 year period of 185, which is an average annual rate of growth of 17 dwellings (rounded). This suggests that the rate of housing completions from 2013, demonstrated in **Table 34,** is similar to that of the preceding period from 2001 to 2011, when there was an average of 23 dwellings per year. This slightly higher average building rate from 2010 when compared with the preceding level could be explained due to disproportionately large numbers of homes being built in 2012/13. Therefore there is little to suggest that there has been a significant increase in housing delivery from 2010.

Table 35: Total dwellings, change, and average annual change in Henfield and Horsham, 2001-2011

Area	2001	2011	Change	Average Annual Change
Henfield	2220	2405	+185	+16.8
Horsham	51195	56516	+5321	+483.7

Source: ONS Census 2011

5. Conclusions

5.1 Overview

Table 36: Summary of factors specific to HPC NP with a potential impact on neighbourhood plan housing quantity

5.2 Quantity of Housing Needed

Table 37: Summary of factors specific to Henfield with a potential impact on neighbourhood plan housing

Factor	Source(s) (detailed in Chapter 5)	Possible impact on future housing need	Rationale for judgement
Employment trends	HNHD15, CtCSEP2014, HDEP16, SHMA09, Census 2001/11	↑↑	The area has been shown to have significant degree of home workers and newly registered businesses, both of which are currently increasing. Horsham also has the best survival rates for new businesses, which could mean further employment growth. In terms of larger-scale employment, the manufacturing sector has been shown to have a competitive locational advantage in Horsham, and the West Sussex Economic Area is also projected to see growth in retailing, financial/business services, distribution/transport and public services. Supporting both of these areas of potential growth, Horsham has a strong skills base and well educated population, with fully 8% more of the population achieving a higher qualification compared with the national average. Furthermore, the area has significant numbers of commuters, and therefore demand for housing will be stimulated by economic growth in the wider Gatwick Diamond region. This is particularly the case due to numerous priority growth locations in the Coast to Coast Local Enterprise Partnership area in commutable distance from Henfield. It has been established that these commuting patterns also extend into the Greater London Area, with the commuting distances experienced in the NPA consistent with this trend. As a result, an assessment of two up arrows has been deemed appropriate because of the emerging role of the Gatwick Diamond as an economic hub in

			the region, and of London as a whole, and thus the current strength and predicted future growth of employment opportunities in the local area.
Housing transactions (Prices)	SHMA09, Land Registry Price Paid Data for 2006-2016, HNHD15	↑	The Henfield NPA has been shown to have experienced a 23% increase in price paid data over a ten year period. The price paid varies significantly per housing typology however, and in particular, growth in flat prices has been low compared to other types. Generally, growth in house prices has been lower in Henfield than in Horsham and relative to some areas of West Sussex too. This may have been due to historically higher house prices in Henfield. As a result the assessment, one up arrow has been deemed appropriate due to the relatively low increases in house prices experienced in the NPA when assessed against the District.
Housing Transactions (Volume)	Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA09	↔	The levels of housing typologies sold in the Henfield NPA broadly matched the levels sold at the district level and of the existing stock. However, there is a higher volume in sales of terraced housing relatively compared with stock and a similar reduced volume in sales of flats compared with stock. These disparities in housing transactions are likely to cancel themselves out. This suggests there is no mismatch between the demand for different housing types within the NPA compared to the district level.
Migration and demographics	HNHD15, SHMA 2009, Census data 2001, 2011	↑	Given the significant migration to the area over the last 20 years from London and Brighton, it is reasonable to expect migration to continue, even where house prices make doing so more difficult for certain groups such as young families. For this reason, one up arrow is considered reasonable, given the growth in the economy of these two major cities in the South East.
Overcrowding and concealment	Census Data 2001, 2011	↔	The proportion of concealed families within the NPA (1%) is lower than the proportion found at the district level and lower than the national average (1.9%). There is no evidence to suggest an adjustment needed based on this

			indicator, particularly given the very small absolute numbers of concealed families and those living in overcrowded conditions in Henfield.
Rate of development	HDC, HNHD15 Land Registry Data/AECOM Calculations	↔	The local authorities in the Northern West Sussex Housing Market Area have significantly under-delivered against HMA targets. Horsham, however has been showing a strong housing market with a growing housing supply and in the year 2013/2014 Horsham did deliver more than the 800 homes set as an annual target. However, Henfield has seen a slowing in the number of housing completions in recent years since 2013. This could suggest that rate of development is a mixed picture but tends to be slowing recently. Taking the available data in the round, a neutral position is justified.

Table 38: Summary of local factors specific to HPC with a potential impact on neighbourhood plan housing characteristics

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
Affordable Housing (AH)	HNSR, SHMA studies	25.9% feel the parish does not have the housing stock to meet their future needs, yet only 6.8% of households are eligible for AH. 14.4% of households currently occupy AH. Households with incomes below the mean of £47,000 per year are unable to afford entry level market properties 57% of households are currently reliant on private rented dwellings or some form of emerging 'intermediate' AH housing product, without taking account of savings or access to other forms of finance.	Those ineligible for AH but who cannot afford market housing, are presented with a choice of accepting unsuitable housing in Henfield, or moving from the area. The ratio of eligible households to AH stock suggests the supply of AH meet demand. Shared ownership is a realistic route to home ownership for those on median incomes, for example first time buyers. The evidence gathered does not support HPC developing its own AH policy, but does indicate the council's policy should be assertively implemented in the NPA. Of the AH quota secured through market housing development, 80% should be allocated to social rented housing and 20% to intermediate products.

Demand/need for smaller dwellings	Census, HNSR	The current housing stock exhibits a strong bias towards larger dwellings, and relatively few flats. Changes in the profile of the housing stock saw an increase in larger family dwellings. There exists a small number of concealed households and a larger group of non-dependent children living in the parental home.	Concealed households are unlikely to accept their housing conditions over the long-term, with many choosing to move to more affordable areas. This indicates that, unless Henfield is able to provide this housing in a timely way, over the years many newly forming households that would have chosen to live in the Parish will live elsewhere. The leakage of this demographic tier threatens the viability of local services, the ability of children to be active carers and the overall vitality of the settlement. Smaller dwellings of 2 and 3 rooms are needed to address the increase in the number of solo households, the growth in numbers of the elderly and the need to provide affordable homes for newly forming households.
Demographic change	Census, SHMA studies	Data shows an increase in the numbers of older people between 2001 and 2011 There is forecast to be a substantial increase in the number of solo households.	The increase in the proportion of the population accounted for by older people creates an imperative for housing policy to address their needs, for example dwellings of a manageable size and designed to be 'age-friendly.' The growth in solo households does not translate automatically into smaller homes. To take older people as an example, many wish to accommodate a live-in carer as well as at least one guest bedroom for friends and family to stay.
Family-sized housing	Census	Analysis of the Age Structure of the population of Henfield and the changes that have been identified indicate a family orientated community. Changes in the profile of the housing stock saw an increase in larger family dwellings. Data also suggests a clear family orientation with roughly a third of all households including children.	While the number of larger family homes forms an important part of the housing mix and should continue to do so, they do not represent a priority moving forward; indeed the evidence suggests an over-supply of medium sized family homes of 5 rooms.

Housing for independent living for older people	Housing Learning and Improvement Network (LIN)	An estimate of the increase in the number of people aged 75+ by 2031 stands at 187 individuals.	This estimates, using LIN's housing calculator produces the following additional housing: conventional sheltered housing units = 11 (rounded); leasehold sheltered housing units = 22 (rounded); 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = 4 (rounded); extra care housing units for rent = 3 (rounded); extra care housing units for sale = 6 (rounded); specialist dementia care homes = 1 (rounded)
Tenure of housing	Census	The bulk of the housing stock is in owner occupation, suggesting a deficiency of housing for those on modest incomes.	Given affordability analysis and the profile of housing tenure in the NPA, points to demand for tenures across all types; policy intervention is justified in the need for both social housing and tenures suited to those on household incomes around the mean, that is private rented dwellings, shared equity, discounted market products.

5.3 Recommendations for next steps

275. This neighbourhood plan housing needs advice has aimed to provide Henfield Parish Council with evidence on housing trends from a range of sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with Horsham District Council with a view to agreeing and formulating draft housing policies, taking the following into account during the process:

    - the contents of this report, including but not limited to Table 37 and 38;
    - Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic local policies;
    - the views of the HDC;
    - the views of local residents;
    - the views of other relevant local stakeholders, including housing developers; and
    - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA.

276. We would also recommend discussion with housing associations active in the area and local developers sympathetic to the particular demographics and needs demonstrated in this report.

277. As noted previously, recent changes to the planning system, as well as forthcoming changes to the National Planning Policy Framework as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

278. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).

279. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

280. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Table 37 and 38 would be particularly valuable.

Appendix A Document copies

A.1 App heading 2

Body text

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