

Save West of Ifield Regulation 19 Response¹

Policy HA2 and the Allocation of Land West of Ifield Housing

Summary

1. Introduction
2. Policies and Guidance
3. Does Horsham need these houses?
4. Does Crawley need these houses?
5. Economic growth, employment, and the West of Ifield

Annex A: Calculation of objectively assessed need for Crawley

Summary

HDC uses a number of arguments across the Plan and Evidence Base to justify allocating the West of Ifield site including:

1. The need for Horsham District Council (HDC) to satisfy government house-building targets,
2. Crawley's unmet housing need, and
3. A presumption of availability of employment in Crawley and at Gatwick.

But does Horsham need the houses West of Ifield?

- No. The Plan appears to be entirely focussed on house-building, or accommodating the housing proscribed by government targets, rather than properly planning for sustainable growth in population and prosperity.
- The Plan fails to adequately explain or address the fact that Horsham District is experiencing and will continue to experience unsustainable population growth, caused by excessive house-building, driven by the Government's Standard Method. **This contravenes NPPF paragraph 8.**
- **Government targets are grossly inflated – particularly for areas like Horsham – due to the operation of the Standard Method. The Local Plan could and should propose much lower and sustainable house-building targets than are being suggested by the Standard Method.**
- Instead a bottom-up approach should be used using ONS data on the components of population change for each LPA, plus consideration of other elements of need such as housing lists. **A more reasonable target for Horsham should be nearer 600** than the Plan target of 777 or OAN of 911.
- The existing DtC whereby Horsham builds 200 houses a year for Crawley is now embedded in the ONS's population data, since 2016, and will have influenced the 2018-based projections, and will do the same for future sets of projections. So the 200 DtC is already included in Horsham's OAN as calculated by the Standard Method.

Is the West of Ifield being built for Crawley?

- **Crawley Borough Council does not support the Land West of Ifield allocation.** The Council objected to the allocation at Regulation 18 stage, voted unanimously against it in October 2021 and is now being very clear

¹ This report has been prepared on behalf of the Save West of Ifield residents' group by Fenella Maitland-Smith – Government statistician, senior civil servant and now expert advisor to the European Commission. Her career in economic statistics includes 12 years at the Bank of England, 11 years at the UK Office for National Statistics, and six years at the IMF and OECD.

about its position in the press². Without the joint agreement with Crawley there is no common ground for ensuring that development in allocation HA2 is joined up. The only joint agreement seems to be about the provision of a new secondary school to benefit Crawley, although the current need for a school is on the other side of Crawley, which will mean pupils travelling across the town through the Hazelwick AQMA.

- The most pressing **need in Crawley is for social housing**, but this is not mentioned in Policy HA2. Paragraph 10.39 is clear that while social housing is the preferred form of affordable provision, there is no requirement to provide any.
- Plan Policies HA2 and 17 (10.38) require 40% affordable housing delivery West of Ifield. Although this is taken into account in the Viability Study, it's not clear that this % will be viable in practice. Given the viability risks associated with the West of Ifield site due to very significant infrastructure requirements, it seems **unlikely that much if any of the 40% will be social housing**, which is what Crawley so badly needs.
- If the housing West of Ifield was genuinely intended to benefit Crawley then there should have been much closer and effective planning between the two authorities on strategic matters. Perhaps even joint plans and policies. Particularly since the Plan makes reference to the West of Ifield development being the first stage of a 10,000 housing development that would fundamentally alter the character of the District, but fails to even hint at what other requirements would be needed to support such a fundamental change. The overall policies should be set within a vision that looks further ahead (at least 30 years). **NPPF paragraph 22 is contravened.**

Will West of Ifield create economic growth, and do Crawley and Gatwick offer limitless employment?

- The HA2 allocation will not support growth, innovation, or improved productivity, because it delivers **too much housing and too little employment** in an area which already needs significant additional employment land. In fact, it will only worsen Crawley's existing need for employment land.
- The Plan is proposing only 17ha of new Employment Land across the District, and only 2ha of it at West of Ifield. **So the creation of jobs on site will be minimal.**
- The Plan's reliance on Gatwick and Crawley to drive employment is likely to be misplaced, both in terms of the numbers and quality of jobs.

1. Introduction

In trying to understand the decision-making behind allocating the West of Ifield we note a number of arguments made across the Plan and Evidence Base, including:

4. The need for Horsham District Council (HDC) to satisfy government house-building targets,
5. Crawley's unmet housing need,
6. A presumption of availability of employment in Crawley and at Gatwick,
7. A presumption of availability of infrastructure in Crawley, and
8. Sustainability Appraisal scoring suggesting that West of Ifield is relatively sustainable, and that adverse impacts can be mitigated.

In Horsham District Council and other meetings, councillors and officials have emphasised other arguments for allocating West of Ifield such as:

9. Crawley's 'desperate need for a secondary school', and
10. Homes England is a government agency which means that infrastructure funding is guaranteed.

We contend that very little of the above stands up to scrutiny, and we address most of HDC's arguments in our other reports. This report will concentrate on points 1 – 3, by considering the following questions:

- A. Does Horsham need these houses? Are the government targets justified for Horsham?

² <https://www.bbc.co.uk/news/articles/cz92dn1rnyro>

- B. Does Crawley need these houses? Crawley has a housing crisis, but will West of Ifield help?
- C. Will West of Ifield create economic growth, and do Crawley and Gatwick offer limitless employment?

Although we note the fact that water neutrality requirements have reduced the housing need number underpinning the Plan, our focus is on the OAN as calculated by the Standard Method, for two reasons. One the Plan is clear that an early review is likely and that it is quite possible that the Plan need will then be adjusted up to align with the OAN. And second, the difference between the two figures is not large – current need of 777 houses a year compared to OAN of 911 – and so the impact on our arguments is not material.

This report is related to and refers to our representation in respect of Policy 37, but it can also be read on a stand-alone basis.

2. Policies and Guidance

NPPF

The relevant paragraphs of the NPPF are listed below, with our concerns.

Sustainable plan-making and decision-making:

Paragraph 11 explains that the presumption in favour of sustainable development is at the heart of the NPPF.

Para 8 sets out the three dimensions of sustainable development: social, economic and environmental.

The Plan fails to adequately explain or address the fact that Horsham District is experiencing and will continue to experience unsustainable population growth, caused by excessive house-building, driven by the Government's Standard Method for calculating house-building targets. **This contravenes NPPF paragraph 8.**

Taking a longer-term view and presenting a **vision**:

Para 15. *The planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings.*

Para 22. *Strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. Where larger scale developments such as new settlements or significant extensions to existing villages and towns form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery*

The Plan does not provide a positive vision for the future. In fact, it does not provide a vision at all, either for the District as a whole or for the significant extension that is the West of Ifield.

The Plan makes reference to the West of Ifield development being the first stage of a 10,000 housing development that would fundamentally alter the character of the District, but fails to even hint at what other requirements would be needed to support such a fundamental change to the nature of the area. The overall policies should be set within a vision that looks further ahead (at least 30 years), so that the impact of these requirements can be assessed against probable delivery. **NPPF paragraph 22 is contravened.**

Delivering a sufficient **supply of homes**:

Para 61 states *'To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot*

be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.'

The Plan rightly explains that water neutrality requires constraints on house-building and a reduction in the building target is proposed. But our response to Policy 37 makes the points that the Plan should also make the case that the unsustainable population growth resulting from use of the Standard Method is also an 'exceptional circumstance' for Horsham and will be borne in mind when the Plan is reviewed.

In terms of Duty to Cooperate:

Para 24 states that *'local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries'*

In this instance although a statement of common ground exists between Horsham and Crawley and it identifies a number of strategic matters it provides no solutions or agreements to delivering the cross-boundary requirements of a large strategic allocation.

HDC Draft Local Plan

Is the 3,000 house allocation part of a larger 10,000 house plan?

Paragraph 10.84 introduces the Land West of Ifield as follows: *'An area of land which sweeps in a broad arc around the western edge of Crawley, from Faygate in the south west to Gatwick in the North east has been promoted to Horsham District Council as having longer term potential for up to 10,000 homes. The site promoters have indicated that there is potential as part of the wider vision for this area, that wider land to the West of Crawley could be delivered as three new neighbourhoods of Crawley in the medium to longer term. At this stage, the longer term housing needs of Crawley, Horsham and the wider sub-region are unknown, and at the time of writing there remain significant uncertainties regarding both water neutrality and the outcome of the DCO proposals to expand Gatwick. The deliverability of a 10,000 home scheme site in the period beyond 2040 cannot be demonstrated at this time. It will therefore be necessary to consider the need for and any future allocation of this wider parcel of land as part of a subsequent Local Plan review, alongside full and objective consideration of whether needs may be more appropriately met through a different development strategy such as a new settlement and taking account of all development proposals in front of the Council at that time.'*

Paragraph 10.85 continues *'A parcel of land known as Land West of Ifield, controlled by Homes England, is considered to be available and deliverable.'*

So, it seems clear that the longer term possibility of the full 10,000 house proposal is still on the table – Homes England are promoting it to HDC, and HDC are explaining its potential in the draft Plan. But the Plan does not consider the 10,000 proposal any further – in terms of infrastructure implications design and delivery, or any other sense. This failure to outline the long term requirements for the District's strategic developments (specifically HA2) is a contravention of **NPPF paragraph 22**.

The Plan is unclear whether any of the housing West of Ifield is 'for Crawley' or not. The conclusion of paragraph 10.12 seems to suggest not:

'At the current time it is not possible to meet the Standard Housing Methodology set for Horsham District, and is therefore also currently unable to contribute to meeting Crawley's unmet housing needs.'

And similarly:

Plan **para 4.7** states that *'... the requirement for water neutrality has meant that Horsham District has moved from being a less constrained to a highly constrained area. ... 4.8 The starting point for the local plan*

strategy is to seek to meet the District's own housing and other development needs as far as possible, within the constraints of water neutrality'

Para 10.13 *'Whilst there is no potential to meet unmet housing needs directly, there remain opportunities to support economic growth in the area and deliver education needs arising in Crawley as part of development within Horsham District, including as development of Land to the West of Ifield. ...'*

But there are references in many other paragraphs suggesting that the West of Ifield allocation is justified based on the fact that Crawley has unmet need, and references to West of Ifield being a new neighbourhood of Crawley:

Policy HA2 states that *'Land West of Ifield ... is allocated as comprehensive new neighbourhood to deliver the necessary infrastructure, services and facilities to meet the longer-term development of approximately 3,000 homes, of which it is anticipated at least 1,600 will be delivered in the period to 2040'*.

And that the affordable housing requirement for West of Ifield is increased to 40% (from 35%) to reflect the relationship of the site with Crawley:

Para 10.38 *'... Strategic greenfield sites are required to bear far greater infrastructure costs than smaller sites, and 35% affordable housing is usually considered appropriate in these locations. Strategic Policy HA2: Land West of Ifield is an exception, requiring 40% affordable housing given the particular housing needs evidenced in the Crawley Borough Local Plan 2024-2040 and a legacy of public land ownership. Specific affordable housing targets are also given for Build to Rent housing and elderly persons' housing, taking account of viability evidence.'*

It is not clear from the Spatial Strategy whether the housing supply figure is providing Horsham's identified housing need or Crawley's. Geographically, the land west of Ifield allocated for development in HA2, expands the existing settlement Ifield which is in Crawley.

The most pressing need in Crawley is for social housing, but this is not mentioned in Policy HA2. The Plan discusses social housing provision in Chapter 10, but does not mention it in paragraph 10.10 which is solely concerned with the possibility of Horsham meeting some of Crawley's unmet need. Plus, paragraph 10.39 is clear that while social housing is the preferred form of affordable provision, there is no requirement to provide any.

Para 10.39 *Development is expected to provide 70% of the total as social rented and/or affordable rented properties. The remaining 30% should be low-cost home ownership, to include shared ownership and/or First Homes. Given the high cost of rented properties in the District and an ongoing shortage of supply, together with the increased cost of living, the Council's preference is for the delivery of socially rented homes. At the current time it is recognised that affordable housing funding models limit the ability to deliver this, but there is potential for this to change over the lifetime of the plan, for example if there are changes to central government policy. The Council will therefore seek the delivery of social rented homes as a priority above affordable rented homes provided the site and its location is appropriate as informed by local evidence. The balance of social rented to affordable rented will be led by advice from the Council's Housing team.*

Sustainability Appraisal³

Two paragraphs regarding growth and employment in the Sustainability Appraisal illustrate the assumptions on which the scoring has been done, with no appreciation of the reality of local infrastructure, availability of employment land, and nature of jobs at and around Gatwick airport.

Page 43 Appraisal of quantum of growth and spatial strategy options

4.49. *Option 4 (New urban extensions) would provide a large amount of growth by Crawley which is a significant employment centre in the wider area and provides a substantial service offer. Delivering new growth at large scale new urban extensions would allow new residents to benefit from access to existing services and facilities as well as employment opportunities and sustainable transport links. The scale of*

³ [Final-SA-Report-for-Horsham-District-Local-Plan-Reg-19.pdf](#)

growth would also perform more favourably than Option 1 (Existing settlement hierarchy) in terms of supporting substantial new service provision in the District.

Para 8.321 of The Sustainability Appraisal states *'The site lies in close proximity to Crawley which forms part of the wider Gatwick Diamond and provides important employment opportunities for the population of Horsham. Policy HA1 requires that strategic sites should be developed to meet the principle of one new job per home. Policy HA2 sets out site specific policy which will develop the employment role of the site and secure a degree of self-containment. It requires the delivery of 9,000sqm B2/B8 and former B1 uses. The significant positive effects expected in relation to SA objective 16: economic growth and SA objective 17: employment are therefore likely to be strengthened.'*

Site Assessment SA101 has formed part of the evidence and data used for the Sustainability Appraisal. The transport assessment in SA101 concludes favourably but does so because a 10,000-home scheme would deliver transport infrastructure which would mitigate the "known" congestion in the area of the proposed development. Other highways impacts are not considered such as the delivery of a secondary school which, given the location of need for school places, will draw in students from all areas of Crawley.

3. Does Horsham need these houses?

Are the government targets justified for Horsham?

In short, the answer is No:

- Horsham's current and expected rate of population growth is unsustainable, and much greater than other districts in the south-east. This rapid population growth is largely driven by inward migration from London and other areas, in response to excessive housebuilding, which itself is driven by grossly inflated government targets.
- The Local Plan could and should propose much lower and sustainable house-building targets than are being suggested by the Standard Method.
- Since a flow of households from Crawley to Horsham is already embedded in the ONS's population data, and will affect projections used in the Standard Method, and since Horsham is massively (unsustainably) over-building in any case, there is no case for any additional DTC building in Horsham. Effectively the DTC is embedded or 'baked-in' to Horsham's OAN. See Annex A for explanation.
- Instead a bottom-up approach should be used using ONS data on the components of population change for each LPA, plus consideration of other elements of need such as housing lists.
- a figure of around 600 should provide space for delivery of social housing to address housing lists, and allow several hundred houses for internal migration into the District.

Para 10.4 of the Plan states that HDC's objectively assessed need (OAN) for new houses as calculated by the Standard Method is 911 houses a year. This compares with 800 houses a year under the existing Plan (the SHMA). Average housing delivery over the period 2013 – 2022⁴ has been 950 completions a year, ie 19% in excess of the HDPF target of 800.

But much of this new housing is bought by households moving into the area, and by investors. So is in excess of genuine local need. In fact, housebuilding in Horsham over the past 20 years has very little to do with local need, and is almost entirely satisfying the demand from others. Although a significant number move into Horsham from Crawley, on a net basis this accounts for around 25% of Horsham's new houses (25% in 2019 when housing delivery in the District was around 1,000). ONS data⁵ on internal migration suggest that 65% are occupied by movers from south London, Surrey, and other parts of the SE.

⁴ https://www.horsham.gov.uk/data/assets/pdf_file/0013/131602/Horsham-Housing-Delivery-Study-UPDATE-Dec-2023.pdf

⁵ Although we cannot say for sure that people moving into the area are exclusively occupying new housing – data do not exist on the demographics of the buyers of new housing specifically. But the ONS publishes the components of population change overall on a local authority basis, which gives an idea of the make-up of the buyers.

The Horsham Housing Delivery Study Update⁶, November 2023 provides some flavour, albeit anecdotal: ‘3.40 Sales agents located in Horsham Town report a similarly active and strong market. ... 3.41 The profile of buyers is a mix of first-time buyers, couples and families predominantly from Surrey and London. ... All agents consulted agreed that the area is attractive to commuters. It should be remembered that this was an important driver of the market pre-pandemic.’

The result of these rates of house-building and inward migration is unsustainable population growth, at a rate near the very top of all local authorities in Sussex, Surrey and Kent. This is described and explained in our response to Policy 37.

So what is genuine local need? Horsham’s population change due to births, deaths and international migration is consistently low and adds only around 100 households to the district a year. Horsham’s housing list is currently around 800 households according to the ONS, but the true need is likely to be higher due to hidden households. The number of homeless individuals in Horsham is in single figures. So, taking a purely bottom-up approach might suggest a minimum need of around 300-400 new houses of which 200-300 should be social housing. **So, a figure of around 600 should provide space for delivery of social housing to address housing lists, and allow several hundred houses for internal migration into the District.**

This is significantly lower than the SHMA (800) and Plan OAN (911), and it’s worth noting that if the Standard Method is updated with ONS’s 2018-based projections then Horsham’s OAN is increased to 1,250 a year – almost double the need calculated bottom-up using actual data on recent trends (see explanation in our representation for Policy 37).

The Local Plan could and should propose much lower and sustainable house-building targets than are being suggested by the Standard Method. Justifications for this include:

- The Standard Method itself is unsound. The use of the Affordability Adjustment to increase targets in expensive areas is unjustified and discredited by research from the Bank of England, Office for Budget Responsibility, IMF, Oxford University and others. There is no evidence that the Affordability Adjustment helps to reduce prices. It is neither an indication of demographic trends or an economically sound response to market signals, and so itself contravenes NPPF 61.
- The demographic projections used in the Standard Method calculations are based on 2014 data and should be replaced with data and projections based on the 2021 population census, or at the very least the ONS’s 2018-based projections. This change could only be made following a change in central government guidance. This would increase Horsham’s OAN and strengthen HDC’s case for ‘exceptional circumstances’ under NPPF 61. Interestingly, updated data would reduce Crawley’s OAN to the extent that HDC’s duty to build for Crawley falls away.
- Since a flow of households from Crawley to Horsham is already embedded in the ONS’s population data, and will affect projections used in the Standard Method, and since Horsham is massively (unsustainably) over-building in any case, there is no case for any additional DTC building in Horsham. Effectively the DTC is embedded or ‘baked-in’ to Horsham’s OAN. See Annex A for explanation.
- Instead a bottom-up approach should be used using ONS data on the components of population change for each LPA, plus consideration of other elements of need such as housing lists.

4. Does Crawley need these houses?

The short answer is No:

- A target for Crawley of around 700 new houses a year would seem reasonable, calculating bottom-up. This is in line with the OAN of 750 in Crawley’s draft Plan. But double the OAN obtained if ONS’s 2018-based population projections are used – this figure does not make sense and illustrates the inadequacies of the Standard Method.

⁶ https://www.horsham.gov.uk/data/assets/pdf_file/0013/131602/Horsham-Housing-Delivery-Study-UPDATE-Dec-2023.pdf

- Crawley is constrained physically and according to their draft Plan can only deliver 315 houses a year, leaving 445 as unmet need. But arguably Crawley could do more to increase its delivery capacity than is currently in the CBC draft Plan.
- Crawley's need is mainly for social housing but delivery of social housing is not a requirement in HDC's Plan and no evidence that any is being planned West of Ifield.
- Crawley Borough Council does not support the Land West of Ifield allocation. The Council objected to the allocation at Regulation 18 stage, voted unanimously against it in October 2021 and is now being very clear about its position in the press.
- More fundamentally, it seems like a significant failure of strategic planning and possible contravention of NPPF 22 that the North West Sussex authorities decided not to prepare a joint plan or joint policies on strategic matters.

First, taking a bottom-up approach to calculating housing need. Crawley has a younger population and births have exceeded deaths to the tune of around 300 households⁷ a year. International migration had been around 200 households a year, and was falling pre-pandemic but could be higher again now due to asylum seekers. So Crawley's population change is less stable than Horsham's. But the need from these sources might be 400-500 houses a year. The ONS data suggest a housing list of around 1,200 households, but local estimates put this figure higher.

A minimum genuine need of 700 houses a year is probably a reasonable assumption to allow for births, deaths, international migration and housing lists. And perhaps 400-500 of these should be social housing

This is similar to the OAN of 750 houses a year calculated using the Standard Method. From CBC's Evidence Base⁸ – Topic Paper 4 – Housing Need: *'4.1 Using the national Standard Method, Crawley has an overall objectively assessed housing need of 750dpa. Over the Plan period this equates to a total need of 12,000 net new dwellings. 4.2 Crawley has an overall affordable housing requirement of 739dpa [from SHMA], of which 563dpa are needed as rented affordable housing'*.

See Annex A for the calculation of OAN for Crawley using the Standard Method and analysis of ONS's population projections. This shows that Crawley's birth rate is not the only factor pushing up on Crawley's population. Crawley has always accommodated a significant flow of households moving from London – it was one of the original New Towns after all – and this is still the case. But because of its physical constraints, this inward internal migration is offset by outward flows. The Horsham Housing Delivery Study Update⁹, November 2023 provides some flavour, albeit anecdotal: *3.37 Agents within Crawley witnessed a stable supply of buyers looking to move into the area from 'London throughout the pandemic linked to the confidence of those living within the area around increased activity and stability at Gatwick Airport, a key employer in the sub-region. However, buyers from the London area have significantly decreased since the end of the pandemic balancing out with those moving locally – slowed in part by increasing mortgage rates.'*

Updating Crawley's OAN

It's worth noting that if the Standard Method is updated with ONS's 2018-based projections (which seem aligned with 2021 census data) then Crawley's OAN is halved to 370 a year (see Annex A). This is due both to lower projections of birth rate, and higher net migration out of the Borough.

Of course, technically this might suggest that there would be zero unmet need and no need for HDC to provide housing for Crawley. But this does not seem a reasonable position given what we know about Crawley's situation, and presumably the NPPF 61 'exceptional circumstances' clause would apply.

But this is another failing of the Standard Method to calculate need, and evidence that it should be thoroughly reviewed and replaced with a method based on the components of the ONS population data and not the aggregate projections for each local authority.

⁷ Of course current births or deaths do not necessarily lead to immediate changes in household numbers. But the ONS, and by extension DLUCH, assumes as much.

⁸ <https://crawley.gov.uk/planning/planning-policy/local-plan/local-plan-review>

⁹ https://www.horsham.gov.uk/data/assets/pdf_file/0013/131602/Horsham-Housing-Delivery-Study-UPDATE-Dec-2023.pdf

Crawley is geographically constrained and is judged to have capacity to deliver 315¹⁰ dwellings a year, leaving an unfulfilled need of 445 a year to be delivered by neighbouring authorities.

But it's not clear that Crawley couldn't improve its own delivery by increased densification of new housing, and by estate regeneration, ie replacing existing housing stock with increased density housing. The current CBC Plan review doesn't provide evidence that CBC is taking these options particularly seriously:

- This point had been made by the Planning Inspector in 2015. In para 96 of their 2015 Report¹¹ they said: *'Not only are the external space standards of policy CH5 unnecessarily prescriptive, they are also unduly onerous. At the hearings the Council was unable to convince me that, for example, a typical 3-bed 5 person terraced house requires 90 sq m of private amenity space if it is to satisfy the 'good design' requirement of NPPF. In an urban borough where there is insufficient land to meet about half the housing need, there is a real risk that the Council's space standards militate against innovative housing layouts which could increase densities whilst still delivering high quality residential environments'*. It doesn't appear these points were adequately acted upon for the existing Plan or the new draft Plan.
- The CBC Densification Study¹² in the CBC Plan Evidence Base is very 'draft'. It is incomplete and inconclusive – in particular it doesn't quantify the potential impact of any densification scenarios.
- Policy H3b is very brief, general and focussed on infill, small sites and windfall opportunities, rather than providing a sense of any strategic intention to use densification to address Crawley's inability to meet its housing need. Neighbouring LPAs who are pressed to provide housing for Crawley might reasonably ask why.

Previous Inspectors have observed that Crawley should have been more forceful in its attempts to secure delivery of its housing shortfall by neighbouring districts, and that Crawley did not object when the emerging plans of Horsham and Mid-Sussex failed to make full provision for Crawley's unmet needs. It appears that the Duty to Cooperate has worked better between Crawley and Horsham than between Crawley and Mid-Sussex, with the result that Horsham has shouldered too much of Crawley's unmet need.

More fundamentally, it seems like a significant **failure of strategic planning** and possible contravention of NPPF 22 that the North West Sussex authorities decided not to prepare a joint plan or joint policies on strategic matters. There are key studies missing from the joint evidence base (such as a joint study of constraints and capacity), which demonstrates a failure of effective cooperation. Given the regional challenges of water supply (beyond the current water neutrality constraints), waste water processing and shortage of health provision, the lack of regional or cross-boundary strategic planning is astonishing.

More locally, HDC's Plan is striking for the lack of evidence of co-operation to produce agreed cross boundary strategies between Horsham and Crawley. Both local authorities have been independently developing their own strategies, each attempting to address their own needs within their own boundaries, without taking account of the relationship and connections between settlements on the edge of Horsham and Crawley.

West of Ifield will have a close connection with Ifield, much of which is in Crawley, as well as wider Crawley itself. The HDC evidence to support the allocation takes little account of the needs of Ifield or wider Crawley – type of housing, no cross-boundary strategies for sustainable travel, addressing employment need or open space. There is no statement of common ground between Horsham and Crawley which agrees a strategy which could deliver HA2 without resulting in significant harm to existing residents much of whom reside in Crawley.

In fact **Crawley Borough Council does not support the Land West of Ifield allocation**. The Council objected to the allocation at Regulation 18 stage, voted unanimously against it in October 2021 and is now being very clear about its position in the press¹³. Without the joint agreement with Crawley there is no common ground for ensuring that development in allocation HA2 is joined up. The only joint agreement seems to be about the provision of a new

¹⁰ Footnote 108 of CBC draft Plan

¹¹ <https://crawley.gov.uk/sites/default/files/documents/PUB270981.pdf>

¹² https://crawley.gov.uk/sites/default/files/2021-01/Densification_study_part_1_draft_January_2021.pdf

¹³ <https://www.bbc.co.uk/news/articles/cz92dn1rnyro>

secondary school to benefit Crawley, although the current need for a school is on the other side of Crawley, which will mean pupils travelling across the town through the Hazelwick AQMA.

The most pressing need in Crawley is for social housing, but this is not mentioned in Policy HA2. The Plan discusses social housing provision in Chapter 10, but does not mention it in paragraph 10.10 which is solely concerned with the possibility of Horsham meeting some of Crawley's unmet need. Plus, paragraph 10.39 is clear that while social housing is the preferred form of affordable provision, there is no requirement to provide any.

Policy HA2 requires 40% affordable housing delivery West of Ifield. Although this is taken into account in the Viability Study, it's not clear that this % will be viable in practice. Homes England have indicated informally that they can enforce the required % of affordable housing but this guarantee has not been made public.

Given the viability risks associated with the West of Ifield site due to very significant infrastructure requirements, as well as the 40% affordable requirement, it seems unlikely that much if any of the 40% will be social housing, which is what Crawley so badly needs. Plus of course, delivery of social housing is not a requirement in HDC's Plan.

5. Economic growth, employment, and the West of Ifield

In short:

- The HA2 allocation will not support growth, innovation, or improved productivity, because it delivers too much housing and too little employment in an area which already needs significant additional employment land. In fact it will only worsen Crawley's existing need for employment land.
- The Plan is proposing only 17ha of new Employment Land across the District, and only 2ha of it at West of Ifield. So the creation of jobs on site will be minimal.
- The reliance on Gatwick and Crawley to drive employment is likely to be misplaced, both in terms of the numbers and quality of jobs.
- The Plan appears to be entirely focussed on house-building, or accommodating the housing proscribed by government targets, rather than properly planning for sustainable growth in population and prosperity. The Plan does not *'set out a clear economic vision and strategy'* as required by NPPF 82.

The Plan assumes the need for economic growth but does not explain why, or what this actually means. No empirical evidence is presented to support or quantify this, or to explain the relationship between population increase, housebuilding and economic growth and prosperity. What is the current Council's view of the need for growth, how many houses are needed to support this, and how does this mechanism work? And how does this fit with HDC's 30-year vision? **The Plan does not *'set out a clear economic vision and strategy'* as required by NPPF 82.**

Similarly, to the extent the Plan includes a vision for local economic growth, it appears to rely heavily on the District's position near the centre of the Gatwick Diamond. The Gatwick Diamond is mentioned 20 times in the Plan document, but there is no discussion of its benefits, risks, or whether the District is over-reliant on Gatwick as an employer or engine of growth. The Plan and Evidence Base overlook the fact that Gatwick for a long time has been replacing workers with technology. The number of jobs at Gatwick was falling pre-pandemic. And even if future expansion does create new jobs, the majority of them are likely to be insecure and low paid – which means the houses at West of Ifield will be out of reach.

This over-reliance could account for the fact that there seems to be a disconnect between the volume of new housing planned for Horsham District and the volume of new employment land planned. Given the need for employment land is driven by housing supply, it's strange that Policy 29: New Employment is proposing only 17ha of new Employment Land across the District, and that only 2ha of it at West of Ifield. So the creation of jobs on site will be minimal.

But this is at odds with the justification for Policy HA2 which states that the West of Ifield *'will link to and support the economic hubs of Crawley and Horsham, located at the epicentre of the Gatwick Diamond, and significantly boost employment opportunities, skills and prosperity in the area, whilst addressing local housing needs'*.

Again, no explanation of how West of Ifield will do any of this, in particular boost employment opportunities. The Plan para 10.89 (HA2) does state that ‘*An Economic and Employment strategy is to be submitted and agreed by the Council, to demonstrate the phased delivery of an appropriate number and diversity of jobs to ensure a balance between population and jobs growth and promote economic growth and prosperity for local communities*’. But this has not been made available for the Regulation 19 consultation.

So will there be sufficient jobs available at Gatwick and in Crawley for the new residents?

There is no evidence of any current labour shortage in Crawley, only an employment land shortage. Similarly, while Crawley’s Manor Royal industrial estate supports thousands of jobs, their nature appears to be changing, with a shift from (more and better paid jobs in) office work to (fewer and worse paid jobs in) storage and logistics activity. And Crawley does not even have space for further expansion in these industries.

Just as Crawley is constrained in terms of land for housing it is constrained for employment land. Crawley’s draft Plan states in 2.19 that ‘*There remains an outstanding need for a minimum of 13.73ha new industrial-led employment land in Crawley, principally within the logistics and warehouse sectors.*’ There is limited availability of land for office-based employment. This analysis is based on a baseline house-building scenario which does not include the West of Ifield.

So not only does Crawley have little capacity to expand employment opportunities to accommodate its own population increase, it certainly does not have the capacity to accommodate the West of Ifield.

This suggests the West of Ifield’s allocation of 2ha of employment land is wholly inadequate, as noted in the Economic Growth Assessment for Crawley¹⁴.

Crawley’s Topic Paper 5: Employment needs and land supply¹⁵ states: *4.52 The higher Labour Supply (597dpa) figure of 56.9ha employment land factors in the possibility of an urban extension to Crawley. However, it is recognised that such an extension would not meet solely Crawley’s housing needs, and would also meet those from the adjoining district. Therefore, it is anticipated that, although some employment needs arising from an urban extension may need to be met in Crawley, remaining employment need arising from the development may be accommodated within the urban extension itself, or if necessary, elsewhere within neighbouring districts.*

The Economic Growth Assessment for Horsham¹⁶ states “*it would be important for HDC to work closely with other local planning authorities in the wider housing market area to ensure appropriate provision of any associated employment land, and to avoid ‘double counting’ of supply*”.

Our response to the Plan’s spatial strategy (submitted under Policy HA2) makes clear that it cannot be concluded that the allocation HA2 will meet employment needs to foster economic growth and regeneration, only worsen an existing demand for employment land in the area. Consequently, with a potential imbalance of housing in the area, new households may need to travel further to work which would increase commuting distances

An ever-increasing **supply of jobs at Gatwick** is often cited as justification for more housing, particularly in the north of the District. Quite apart from the fact that Gatwick expansion is uncertain, new research¹⁷ shows that increasing automation has been reducing the numbers of related jobs – aviation, distribution, hospitality, retail, etc. – and that airport expansions rarely lead to significant numbers of new jobs. Gatwick’s own estimates of job creation are discredited. Also, since the majority of these jobs are low paid, and many are insecure, there is an affordability mismatch with the new housing being delivered across Horsham. This is exacerbated by the fact that pay for the bottom 20% of aviation earners has collapsed in recent years.

¹⁴ 2 Northern West Sussex Economic Growth Assessment Supplementary Update for Crawley Final Report January 2023

¹⁵ Topic Paper 5: Employment Needs and Land Supply January 2021

¹⁶ Northern West Sussex, Economic Growth Assessment, Focused Update for Horsham, Horsham District Council, November 2020 https://www.horsham.gov.uk/data/assets/pdf_file/0018/104247/Horsham-Focused-EGA-Update-FINAL-20.11.20.pdf

¹⁷ *Losing Altitude* – New Economics Foundation. <https://neweconomics.org/2023/07/losing-altitude#:~:text=The%20environmental%20downsides%20of%20growth,pace%20of%20emissions%20reduction%20achievable.>

ANNEX A: Calculation of OAN for Crawley

SUMMARY

- The Standard Method is deeply flawed and should not be used to calculate housing need. Instead a bottom-up approach should be used using ONS data on the components of population change for each LPA, plus consideration of other elements of need such as housing lists. The affordability adjustment has no basis in theory – neither is there any practical evidence for its validity – and it should be dropped.
- A bottom-up approach suggests a need for Crawley of 6-700 houses a year.
- Updating the Standard Method calculation with 2018-based ONS projections suggests an OAN of 360 a year, ie significantly below the bottom-up estimate.
- Since a flow of households from Crawley to Horsham is already embedded in the ONS’s data, and since Horsham is massively (unsustainably) over-building in any case, there is no case for DTC building in Horsham.

The Crawley draft Plan and Housing Needs Topic Paper¹⁸ identify a need (OAN) for around 750 dwellings per year, or 12,000 dwellings over the proposed Plan period. Step 1 uses ONS’s 2014-based HHPs to give 570hpa, and step 2 increases this by 180hpa (32%) due to the Affordability Adjustment. These figures are shown in Table 1 below.

Updating ONS population projections

Chart 1 shows that the ONS population projections for Crawley have been revised down in subsequent datasets, ie the 2014-based projections were too high. This is the case for the vast majority of districts in the UK, but not Horsham. The 2018-based projections (red line) are around 300hpa lower than the 2014-base projections.

The ONS’s 2021 Census results for Crawley are very close to the 2018-based projections for 2021, which lends credibility to these compared to the 2014-based projections currently used for the Standard Method.

So, using the 2018-based projections in the Standard Method would give a new target of 363 new houses a year (assuming unchanged affordability adjustment) as opposed to the current target of 750, ie 413 fewer new houses a year.

The current target and this possible new target are indicated in Table 1:

Chart 1: Evolution of ONS population projections - Crawley

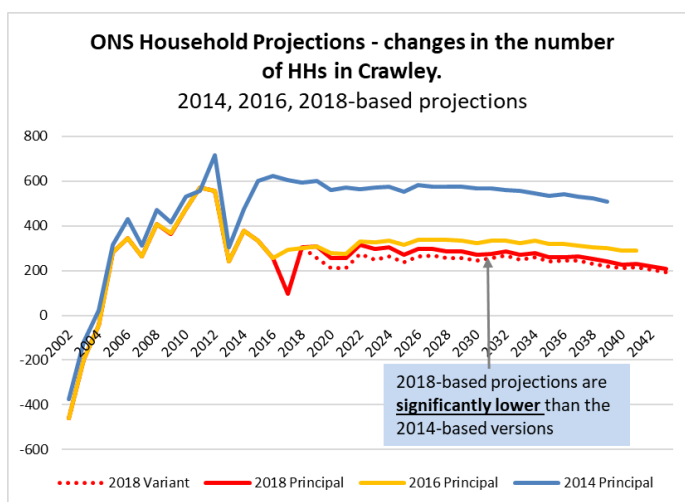


Table 1: Evolution of CBC’s House-building Targets, with Possible Future Target

	SHMA 2019	Draft Local Plan 2021	ONS 2018-based HHPs	2021 Census
ONS demographic projection	570	570	277	286
Uplift for affordability	182 (32% 2018)	180 (32% 2019)	86 (31% 2021)	89 (31% 2021)
TOTAL	752	750	363	375
Contribution from neighbouring LAs for unmet need	??	??		
TARGET				
	2019-2029	2019-2039	2019-2029	2021-2031

¹⁸ [Topic Paper 3 Housing needs.pdf \(crawley.gov.uk\)](#)

Taking a bottom-up approach based on the ONS's published components of population change shows that in recent years Crawley's births have exceeded deaths to the tune of around 300 households¹⁹ a year. See Chart 2. International migration had been around 200 households a year, and was falling pre-pandemic but could be higher again now due to asylum seekers. So the need from these sources might be 400-500 houses a year. Crawley's housing list is around 2,000 households, and social housing is needed to bring it down. It's not straightforward to assess how many of the 2,000 might already be accounted for in the ONS's data (growing families and international migrants needing social housing), but a significant number will be 'hidden households', ie people and families living with relatives, but needing their own accommodation. So their needs should also be added in. So a **bottom-up approach might suggest Crawley has an overall minimum need of around 600-700 new houses of which at least 400 should be social housing.**

But **how does this reconcile with the OAN** of around 360 which would be the result of updating the Standard Method calculation using ONS's 2018-based projections?

The increases in population tend to be partly offset by negative net internal migration, ie people moving outside the Crawley boundary (the early years of the financial crisis were an exception). The net outflow from Crawley (orange bars in Chart 2) has been around 400 households on average over the past five years, and this has fed into the ONS's 2018-based projections, ie it is assumed this rate of outflow will continue, lowering overall population increase. The 2014-based projections will have used an outflow of around 100 a year, resulting in higher estimates of population growth.

Why have net outflows of people increased? This is possibly due to the increased availability of new housing as new developments are built out in Crawley and by neighbouring LPAs. Completion rates took off post the financial crisis when the Bank of England and Treasury introduced various stimuli which boosted demand and building, including Help to Buy in 2012. For example, by 2016 Horsham was averaging 1,000 completions a year compared to the average of 500 a year pre-crisis (see Chart 3).

So, ONS data show that in 2019 the net migration from Crawley to Horsham was around 250 households. And Horsham's population is increasing at a rapid (unsustainable) rate driven by house-building – 75% of the increase in dwelling stock corresponds to the net migration into the district, ie 660 households a year (we can't say these households are occupying the new houses, but we can see the relationship between the growth in both houses and households). See orange bars and red line in Chart 3.

The really important thing is that this increased flow from Crawley to Horsham is now in the ONS's population data, since 2016, and will have influenced the 2018-based projections, and will do the same for future sets of projections. Hence Crawley's lower projected figure of 277 in Table 1, and Horsham's correspondingly higher figures.

This means that the flow from Crawley to Horsham (of around 250) is assumed to continue and is already 'baked in' to the projections and the OAN calculations. This can be viewed as **a DTC of 200 a year having become embedded in the local population and housing dynamics. It is already included in Horsham's OAN.**

Crucially, this means that if both LPAs calculate their housing needs using the Standard Method there is no need for Horsham to provide any housing (above 200) via a DTC arrangement. See Table 2. But if both LPAs were to adopt a bottom-up approach to calculate housing need and targets, then unless Crawley could find a way to increase delivery within their boundaries, it will need neighbouring LPAs to help with unmet need.

Table 2: Horsham and Crawley combined OAN and need for additional DTC housing from Horsham

	OAN using 2014-based projections	OAN using 2018-based projections	Bottom-up approach
Crawley	750	360	700
Horsham	950	1,200	600
TOTAL	1,700	1,560	1,300
DTC	Not needed – Horsham's OAN already hugely over-stated – will deliver excess housing in any case.	Not needed – already embedded into ONS projections, and so in Horsham's OAN.	Needed , unless Crawley can find alternative way to increase delivery

¹⁹ Of course current births or deaths do not necessarily lead to immediate changes in household numbers. But the ONS, and by extension DLUCH, assumes as much.

Chart 2: Components of Crawley’s population (households) change since 2001.

Bright blue bars show births exceed deaths by around 300 a year. Grey bars show international migration (net). Orange bars show net migration out of Crawley into other parts of the UK. And the red line is housing delivery.

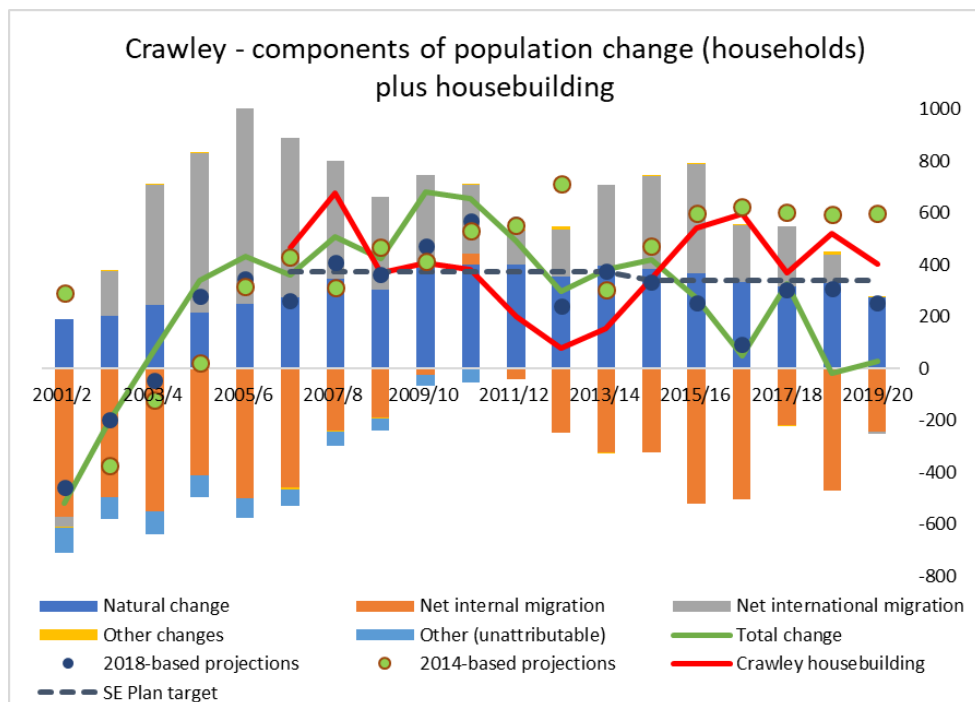


Chart 3: Components of Horsham’s population (households) U since 2001.

Dominated by the orange bars, ie population growth almost entirely driven by net migration into Horsham from other parts of the UK – mainly Crawley, Surrey and south London.

Also note housing delivery averaging 1,000 a year since 2014, in excess of current target of 800.

