

**CRAWLEY BOROUGH COUNCIL**

**ESTABLISHING A WINDFALL ALLOWANCE FOR THE LOCAL PLAN  
PERIOD (2015-2030)**

**November 2014**



## 1.0 Introduction

1.1 The National Planning Policy Framework (NPPF, 2012) states that Local Planning Authorities (LPAs) can make:

“an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply” (NPPF, Para 48).

A windfall site is defined within the NPPF glossary (Annex Two) as a site that has not been specifically identified as available in the Local Plan process; most typically a previously-developed site that has unexpectedly become available.

1.2 In addition, LPAs, to make an allowance for windfall sites in their five year housing land supply, will also be subject to:

- the allowance being realistic with regards to the Strategic Housing Land Availability Assessment (SHLAA), historic windfall delivery and expected future trends; and
- the windfall allowance not to include residential gardens.

1.3 In addition to this housing windfall calculation, the NPPF (Para 47) confirms that LPAs should identify and update annually a supply of deliverable<sup>1</sup> sites sufficient to provide five years worth of housing against their housing requirements (including an additional 5% buffer, or a 20% buffer where applicable), and identify a supply of specific, developable<sup>2</sup> sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15.

1.4 All the potential housing sites identified as part of housing land supply for the Local Plan are identified within the SHLAA and do not form part of windfall provision, since the housing sites are formally identified within the Local Plan process (Policy H1 and H2). However, housing sites of five dwellings or less are not formally identified within the Local Plan (Policy H2) and could be included within the windfall housing land supply calculation. Both the Urban Capacity Study (2012) and the updated SHLAA document only analyses sites with a capacity to accommodate 6 dwellings or more, which is the commonly used threshold across the Northern West Sussex Housing Market Area.

1.5 The Planning Practice Guidance<sup>3</sup> (PPG) states that a windfall allowance may be justified within the first five-year housing land supply. In addition, LPAs have the ability to identify broad locations in years 6-15 of the Plan, which could include a windfall allowance based on a geographical area. Crawley is heavily constrained by its administrative boundaries and many environmental, airport and physical constraints, evident through the Urban Capacity Study (2012). Indeed, for the Local Plan submission, Policy H1 identifies a ‘supply-led’ housing target of 5,010 net dwellings per annum (2015-2030), with a substantial proportion of housing delivery taking place in the first 10 years of the Plan period (2015-2025).

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<sup>1</sup> To be considered ‘deliverable’, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular, that development of the site is viable.

<sup>2</sup> To be considered ‘developable’, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

<sup>3</sup> Housing and Economic Land Availability Assessment Para 24, (Reference ID: 3-24-20140306), Planning Practice Guidance (Department of Communities and Local Government 2014)

- 1.6 This document endeavours to estimate and differentiate the housing windfall potential from each likely source of land for housing and then come to an informed view as to whether:
- the annual rate is likely to increase or decrease;
  - the current market conditions are likely to stay the same, worsen or improve in the future and whether there is sufficient justification for identifying an annual windfall allowance for years 1-5, and 6-15, of the Local Plan.

## **2.0 Windfall Housing Sites within Crawley**

### **The Structure of Housing Land Supply**

- 2.1 The housing supply within the Local Plan comprises the following:
- Commitments (Large Housing Sites with planning permission between 6 and 29 dwellings).
  - Small Housing Sites (Unimplemented Housing Sites with planning permission of five dwellings or less).
  - Local Plan Key Housing Sites ('Deliverable' and 'Developable' Allocations of 30 dwellings or more).
  - SHLAA Sites that are suitable and deliverable (1-5 year period).
  - SHLAA Sites that are suitable and developable (6-10 year period).
  - Broad Locations (6 -15 year period).
  - Windfall Allowance (Years 1-15)
- 2.2 As previously stated, the identified housing requirement of the Local Plan between 2015 and 2030 is a minimum of 5,010 dwellings or, 334 dwellings per annum. The first phase of the plan will be between 2015 and 2020 and is expected to deliver a net gain of 2,735 dwellings<sup>4</sup>.
- 2.3 In order to calculate a realistic housing windfall figure, it will be important to ensure that this document:
- Analyses past windfall trends in housing applications and completions
  - Avoids double counting with SHLAA sites; and
  - Allows for changing market conditions and trends over the Plan period.

## **3.0 The Crawley Context**

- 3.1 The administrative boundaries of Crawley are drawn tightly around the town, with very little land falling outside of the Built-Up Area Boundary (BUAB). The M23 motorway forms the administrative boundary to the east of the town, and to the south, lies the High Weald Area of Outstanding Natural Beauty (AONB). To the west, the land adjacent to the borough boundary leads to open countryside within Horsham District. Gatwick Airport is located to the north of the town; constraining the land between the north of the town and the airport through safeguarding requirements for a potential second runway and unacceptable noise levels for residential uses.
- 3.2 Crawley was designated as a New Town in 1947 and has had continual phased development of neighbourhoods, each with their own centre offering retail/employment and community facilities. A number of the newer

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<sup>4</sup> Crawley Borough Council (2014) Housing Trajectory, 30 Sep 2014.

neighbourhoods (Maidenbower, Bewbush and Broadfield) have more limited capacity to provide additional housing, given the higher density of new housing within these neighbourhoods which offers a more efficient use of land with less potential for infilling. This is evident in the council's Urban Capacity Study (2012).

- 3.3 In recent years, several large windfall housing developments have received planning permission and have been built, including land at St Wilfrid's Catholic School, Old Horsham Road<sup>5</sup> (for 69 dwellings) and the former Crawley Leisure Centre Site, Haslett Avenue<sup>6</sup> (for 829 dwellings). However, since the SHLAA document (which supports both Policy H1 and H2 of the Local Plan) identifies a supply-led housing figure, and the Urban Capacity Study (2013) endeavours to identify all the key housing sites within the borough, it is unlikely that many large windfall sites (i.e. unidentified) of over 30 dwellings will come forward in the initial part of the Plan period.
- 3.4 A number of smaller housing schemes have been delivered on brownfield sites in the past five years and have come forward predominantly from the older residential neighbourhoods of Crawley close to the town centre such as Southgate, Northgate and Three Bridges, where the older residential stock is more susceptible to redevelopment either through the conversion of residential dwellings or offices, or through the demolition of existing buildings and garden land and the construction of new dwellings. However, it should be noted that the development of residential gardens cannot be included in the calculation of the windfall allowance.

#### **4.0 Analysis of Past Trends**

- 4.1 Table 1 provides information on windfall provision in terms of completions (i.e. the actual delivery of a site) of residential permissions between April 1 2008 and 31 March 2013. As previously stated, many large housing sites of over 30 dwellings are unlikely to come forward as windfalls in the first five years of the plan since these have been identified as Key Housing sites within the Local Plan. The table also highlights windfall housing developments which were developed through residential gardens and/or amenity land. Whilst the NPPF does not allow for the redevelopment of residential gardens to be included in any windfall calculation, it is clear that a small proportion of residential dwelling completions will continue to come forward through such sites and contribute towards future housing land supply.

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<sup>5</sup> Planning application CR/2006/0450/OUT and CR/2009/0353/ARM.

<sup>6</sup> Planning application CR/2005/0714/FUL.

**Table 1: Windfall Sites Completed (6 – 29 Gross Dwellings) between April 1 2008 and March 31 2013**

Site	Former Use	Type of Development	Net Units Created
Squirrel Close, Langley Green	Informal Amenity Land	New Build	24
Barnswood Hotel, Balcombe Road, Pound Hill	Hotel	PDL Redevelopment	14
R/O 95 – 103 Maiden Lane, Langley green	Residential Gardens	New build	8
1A – 3A High Street, Northgate	Offices	Part Conversion/ Part New Build	10
76 Tinsley Lane, Three Bridges	Residential Property	Conversion	6
Highfield House, Town Mead, West Green	Car Park	New Build	6
Oaktree Cottage, Crow Corner and Caxtons, Church Road, Pound Hill	Residential Gardens	New Build	10
Garage Site, Dunsfold Close, Gossops Green	Garages	Redevelopment	24
Land at Langley Walk, Langley Green	Residential Gardens	New Build	12
Denroyd & Thornedale, Hazelwick Mill Lane, Three Bridges	Residential Gardens	Redevelopment	10
Woodhall & Little Paddocks, Friston Walk, Ifield	Residential Care Home	Redevelopment	27
Rushetts Place, Langley Green	Amenity Land	New Build	16
Land Adjacent to Rackham Close, Southgate	Amenity Land	New Build	7
25 Perryfield Road, Southgate	Residential Garden	Redevelopment	5
1 – 3 Denne Road, Southgate	Residential Gardens	Redevelopment	6
8 Goffs Park Road, Southgate	Hostel	Redevelopment	6
R/O 12-52 West Way and Adjacent Scallows Road, Three Bridges	Residential Gardens	New Build	21
70 Spencers Road, West Green	Hostel	Redevelopment	13
<b>Total New (net) Dwellings</b>			<b>225</b>

- 4.2 Table 1 demonstrates that Crawley does provide a small, but significant number of new dwellings through windfall housing provision. Indeed, if the previous five years were replicated, a further 225 dwellings would be developed within the borough over the next five years through windfalls. However, 32% of these developments have been completed through the redevelopment of residential gardens which is prevented by the NPPF in terms of contributing towards a windfall allowance<sup>7</sup>. Subsequently, the windfall provision for the previous five years when taking into account the requirements of the NPPF and discounting residential garden development would only be 153 new dwellings (or 31 per annum).
- 4.3 Table 2 illustrates both the number and type of extant residential planning permissions (for 6-29 dwellings at 1 April 2014) which are windfall sites because they had not previously been identified through the council's SHLAA or Local Plan process.

<sup>7</sup> See Paragraph 48 of the NPPF.

**Table 2: Windfall Sites with Planning Permission (6 – 29 (Gross Dwelling) as of 1 April 2014**

Site	Current Use	Type of Development	Net Units with PP
100 – 104 Three Bridges Road, Three Bridges	Residential Properties and Gardens	Redevelopment	13
6 – 10 Ifield Road, West Green	Offices	Partial Redevelopment and Partial Conversion	14
Deerswood Lodge Site, Ifield Green, Ifield	Former School Building	Partial Redevelopment and Partial Conversion	14
Alpine Works, Oak Road, Southgate	Commercial Buildings (B1/B8 Use)	Redevelopment	6
Crawley Community Church, 40 Springfield, Southgate	Former Community Church	Conversion	8
Former Oak, Maple & Beech Houses, Waterside Close, Bewbush	Former Residential Care Homes	Conversion	14
Kingsland Court, Three Bridges Road, Three Bridges	Offices	Conversion	10
19 – 21 Queensway, Northgate	Offices	Conversion	10
<b>Total New (net) Dwellings</b>			<b>89</b>

- 4.4 Analysing the small number of extant planning applications in Table 2 above suggests that if all residential planning permissions above were to be implemented, a further 89 dwellings would be constructed; if the sites that rely upon the redevelopment of residential gardens are removed (one), then this figure would reduce to 76 dwellings. Subsequently, if extant (windfall) planning permissions are representative of the next three years completions (i.e. the time the developer has to commence a planning permission) then it could be expected that 107 new dwellings would come forward from windfall sites over the next five years i.e. 76 dwellings through extant planning permissions and 31 dwellings per annum from historic delivery, which is slightly higher than the number of windfall residential completions in the previous five years.
- 4.5 Finally, small residential developments (5 dwellings or less) are not allocated within the Local Plan and can be expected to contribute towards the windfall allowance where residential gardens are not developed as part of such schemes. In the previous five years (1 April 2008 – 31 March 2013), an average of 11 dwellings per annum have been completed through developments of 5 dwellings or less. Given that almost half of these completions did not involve residential garden land, around 5 dwellings per annum could be expected to come forward from small housing sites and be counted in the windfall allowance. This would equal 25 completions over a five year period.

## **5.0 What is Deliverable in the Future?**

- 5.1 The period of time over which the historical analysis had been made has mainly included the years of economic recession, which when considering the whole economic cycle, would likely mean that the historical windfall housing completions are lower than what would be expected when the economy begins to recover over the Plan period. Historical net dwelling completions for 2008/09 (368 net dwellings), 2009/10 (409 net dwellings) and 2010/11 (384 net dwellings) remained relatively stable. However, for 2011/12 (202 net dwellings), 2012/13 (78 net dwellings) and 2013/14 (157 net dwellings), the number of completions have fallen and housing delivery within Crawley is not expected to recover until 2015/16 (see the Housing Trajectory<sup>8</sup>).
- 5.2 Conversely, if the economic market and Crawley's circumstances were to remain similar over the first five years of the Local Plan (2015-2020), then it would be sensible to project the total number of windfalls from the previous five years to the next five years as a deliverable windfall rate. However, for the following reasons, this approach may actually underestimate slightly the number of new dwellings that could come forward through windfall provision, and may not accurately represent the renewed level of housing building within Crawley.
- 5.3 Over medium to long term period of the Plan (2020-2030), housing supply and the number of deliverable housing sites is anticipated to reduce as the last remaining sites and opportunities for residential development are completed. In addition, in line with the supply-led approach, both the Urban Capacity Study and SHLAA identifies the majority of housing sites within Crawley capable of accommodating 6 dwellings or more. Subsequently, although opportunities for the conversion or redevelopment of offices/retail floorspace to residential dwellings may not always be identified within the SHLAA, the Local Planning Authority is confident that all larger sites have been identified at this stage and consequently, the latter years of the Plan period are likely to yield fewer houses being built
- 5.4 Within the next five year period of the Local Plan, it is likely that two new neighbourhoods within and outside Crawley's administrative boundary will have a significant effect on the marketability of new dwellings, (particularly new family-sized dwellings). Both the Forge Wood neighbourhood (1,900 new dwellings within Crawley's administrative boundaries) and Kilnwood Vale (2,500 dwellings within Horsham's District administrative boundaries, but bordering Crawley's administrative boundary) may have the effect of dissuading developers from bringing forward smaller, and possibly more complicated, brownfield sites in the short to medium term. However, these sites could still come forward in the latter part of the Plan period (years 6-10 and 11-15) once the new neighbourhoods are substantially built out. The delivery phasing for sites included in the council's Housing Land Supply reflects this and demonstrates that a number of sites will come forward in the medium to longer term, as indicated in the council's Housing Trajectory.

### **Changes to Permitted Development Rights: Office to Residential**

- 5.5 New planning legislation introduced (as of the 30 May 2013 until the 30 May 2016) allows change of use from office space to new residential dwellings without the need to obtain planning permission, following, instead, a new prior

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<sup>8</sup> Crawley Borough Council Housing Trajectory, 30 Sep 2014

approval process<sup>9</sup>. As of the 30 September 2014, Crawley had approved twelve prior approval applications for 290 dwellings (see Table 3 below). Owing to the temporary nature of the legislation it is unlikely that such a process will yield a high number of permanent new dwellings that can be accounted for within the latter period of the Plan (2020-2030) unless the permitted development is established on a permanent basis or extended beyond the three year current period. Allowing for an assumed non-implementation rate of 50% for dwellings with prior approval, a further 145 dwellings is anticipated to be constructed with the first five year period of the Plan.

**Table 3: Prior Approvals for Office to Residential Conversions at 30 Sep 2014**

Site Address	Reference	Net Units with Prior Approval
Crown Buildings, 5 The Boulevard, Northgate	CR/2013/0291/PA3	24
Pelham Court Business Centre, Pelham Place, Broadfield	CR/2013/0332/PA3	28
St Andrews House, 26 Brighton Road, Southgate	CR/2013/0347/PA3	6
First Choice House, London Road, Northgate	CR/2014/0524/PA3	94
Shaw House, Pegler Way, West Green	CR/2014/0159/PA3	26
The Corn Exchange, 61-63 High Street, Northgate	CR/2014/0005/PA3	11
Stoner House, Northgate	CR/2014/0138/PA3	76
Northgate House, 115 High St	CR/2014/0181/PA3	14
Brambletye House, Brighton Rd	CR/2014/0343/PA3	7
8A Brighton Rd, Southgate	CR/2014/0391/PA3	2
Birchfield House, West Green	CR/2014/0438/PA3	1
6a The Broadway, Northgate	CR/2014/0236/PA3	1
<b>Total New Dwellings (net)</b>		<b>290</b>

5.6 The Economic Growth Assessment (2014) highlights the high quality 'Grade A' office stock that continues to attract demand within the Manor Royal Business Estate. Therefore, it is unlikely that residential uses would be particularly viable or attractive in this location. However, there is, by comparison, a significant amount of 'Grade B' office stock, which is generally older and not configured for modern business needs, within the Town Centre (most notably, the Boulevard, the Broadway and Queens Square). Such office stock may provide additional dwellings in the first five year of the Plan either as prior approvals or formal planning applications.

<sup>9</sup> Prior Approval of the Local Planning Authority is required in relation to flooding, highways and contamination matters only.



## 6.0 Conclusions

- 6.1 In conclusion, this document has endeavoured to analyse both the historical trends of windfall provision and, in line with the NPPF and PPG, the possible future economic circumstances for housing delivery within the borough.
- 6.2 It is **recommended that an allowance for windfalls in the first five years of the Local Plan should be made for 55 residential dwellings per annum, which would mean 277 dwellings over the next five years**, reflecting both historical trends and the future provision of housing within the borough (see Table 4 below, Windfall Components, Years 1-5).

**Table 4: Windfall Site Components, Years 1-5**

Extant Planning Permission (76) Historic Delivery (31)	107
Small Sites (< 5 dwellings)	25
Consented Prior Approvals	145 (50% discount)
<b>TOTAL</b>	<b>277</b>

- 6.3 This estimate is based upon the evidence above and compiled from residential developments of 5 dwellings and below, unidentified planning permissions between 6 and 29 dwellings, and a proportion of prior notifications for changes of use from offices to residential. This is a minimum figure, and in all likelihood, a number of residential gardens sites are still likely to come forward as the housing market improves that cannot be included within this analysis.
- 6.4 The PPG states that councils have the ability to identify broad locations in years 6-15 which could include a windfall allowance. The Town Centre, land East of London Road, and the Forge Wood (North East Sector) Residual Land have already been identified as (site-based) broad locations for future housing development as detailed in the council's Housing Trajectory.
- 6.5 However, it is predicted that additional windfall completions will continue to come forward in other locations in Crawley, both within and outside of the Built-Up Area Boundary, through conversion/redevelopment of office/leisure space, development of surplus amenity/garage land and conversion/sub-division and redevelopment of residential properties. **It is therefore assumed that between 2020 and 2030 (Years 6-15 of the plan), the same allowance (55 dwellings per annum) should be included in the council's housing land supply**, as detailed in the Housing Trajectory of 30 September 2014.