



Horsham  
District  
Council

# Horsham District Council Windfall Study

January 2024

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## 1. Introduction

- 1.1. This study has been prepared as part of the background evidence to Horsham District Council’s (“the Council”) housing trajectory and 5-year housing land supply. It is intended to be used to justify the inclusion of windfall housing in these numbers. The study refers to historic windfall housing data in Horsham District, with reference to historic windfall delivery between 2011 and 2023 and taking account of sites within the Council’s SHELAA, and outlines assumptions and projections for future windfall delivery.

## 2. Windfall Definition and National Policy Position

- 2.1. The National Planning Policy Framework (December 2023) (“NPPF”) defines windfall sites as “sites not specifically identified in the development plan”. Paragraph 70 recognises the contribution that small and medium sized sites can have to meeting housing delivery and requires local planning authorities (“LPAs”) to support windfall sites delivery through both policy and decision-making. Paragraph 72 allows LPAs to include windfall delivery in supply calculations but requires them to have “compelling evidence that they will provide a reliable source of supply”. The paragraph lists the considerations LPAs should have, such as:
- a) Strategic housing land availability assessment (“SHELAA”)
  - b) Historic windfall delivery rates

c) Expected future trends.

- 2.2. Historically, national planning policy has excluded residential garden land, however development in residential gardens is no longer excluded expressly, with Para 72 instead encouraging LPAs to set out “policies to resist inappropriate development of residential gardens” where this could result in harm to the local area.
- 2.3. The Planning Practice Guidance (“PPG”) advises that LPAs can use windfall allowance towards anticipated delivery of housing in the next 5 years where they can provide “compelling evidence” in line with the consideration outlined in 2.1 a), b) and c) of this document. It also allows LPAs to include a windfall allowance in broad locations over a 6-15 year period (*Paragraph: 023 Reference ID: 3-023-20190722*).
- 2.4. Generally speaking, windfall sites will be on previously developed land (PDL), or within a built-up area boundary (BUAB) and do not rely on allocation or further work by the LPA to come forward for development. For this reason they often only identified upon submission of a planning application.
- 2.5. Nonetheless, windfall sites provide an important contribution to the District’s housing land supply, coming forward in addition to planned, anticipated housing sites. For this reason the Council has historically sought to provide justification for including a number of dwellings per year which can be expected to come forward as windfall development.

### 3. Background

- 3.1. Horsham has carried out and published analysis of its historic windfall trends back to 2012 in recent Authority Monitoring Reports, and this analysis has been presented at appeals in defence of the Council’s 5 Year Housing Land Supply (“5YHLS”) and was agreed by the Inspector<sup>1</sup>.
- 3.2. At certain points during the period of historic delivery the Council was unable to demonstrate a 5YHLS and a number of developments which would otherwise be considered as windfall came forward through the appeal process. Given the fact that this development would artificially increase the windfall delivery for those years the decision has been made to exclude sites which were permitted at appeal in those years. A full list of these sites can be found in Appendix 2.

### 4. Methodology

- 4.1. Completion data has been provided to the Council by West Sussex County Council on an annual basis for the years in question. The data provided has been interrogated in a number of ways.
- 4.2. This study referred, in the first instance, to national policy and guidance, namely the NPPF and the PPG, relating to windfall development. Windfall development has been assumed to be development which has come forward and received permission but was not anticipated by the Council in any development plan.
- 4.3. For the purposes of this study, and in order to identify historic windfall development, the Development Plan comprises the following documents:

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<sup>1</sup> Appeal Decision, Sandy Lane, Henfield 19 August 2021 APP/Z3825/W/20/3261401

- a) The Horsham District Planning Framework (November 2015)
  - b) Any “made” neighbourhood plans in the district (a list of these can be found in Appendix 1)
  - c) West of Bewbush Joint Area Action Plan (2009)
  - d) Horsham District Local Development Framework: Site Specific Allocations of Land (2007)
  - e) Horsham District Local Development Framework: The Core Strategy (2007)
- 4.4. Firstly, any sites identified in paragraph 4.3 (as allocated sites) have been identified within the data and the completion units excluded from the overall windfall calculation.
- 4.5. Secondly, a number of developments which were permitted at appeal at a time the Council was unable to demonstrate a 5-year housing land supply have been identified and excluded from the windfall calculation. Further detail is included in paragraph 3.2.
- 4.6. The NPPF requires that when calculating windfall development, in order to avoid double counting, consideration be given to the SHELAA. The SHELAA identifies potential development sites for a 5-, 10- and 15-year period. Horsham District Council last published a SHELAA in 2018, after which the review of the Local Plan commenced with its own site assessment process. The document only considered sites which were considered capable of delivering more than 5 units. A full list of all sites considered under SHELAA documents 2012-2018 and the Site Assessment Report used to inform the Local Plan were compiled and excluded from the list of windfall sites.
- 4.7. Analysis of the remaining sites was used to produce an average rate of windfall unit delivery in proportion to total housing delivery, and this was used to inform the likely delivery of windfall units through the Plan Period.

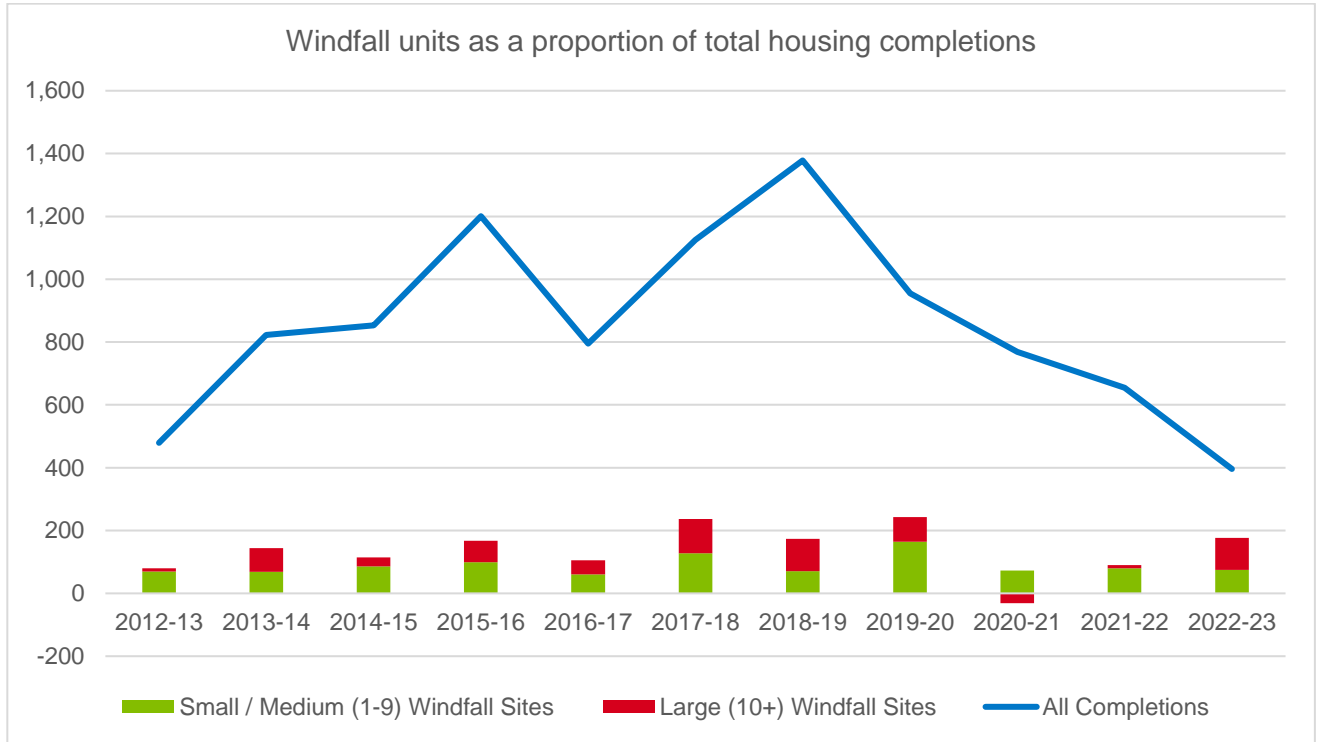
## 5. Analysis of Past Trends

- 5.1. The analysis has made use of reliable and comprehensive data on completions occurring between the years of 2012 and 2022. The data could be interrogated based on the scale of the site overall and previous land use (PDL or greenfield) and other characteristics.
- 5.2. Table 1 shows the historic windfall delivery in comparison with total completions year on year between 2012 and 2022. This overall view demonstrates a relatively consistent level of delivery across the 10-year period.

**Table 1: Windfall completions compared with total completions by year.**

| Year    | All Completions | Total Windfall | Windfall as % of total |
|---------|-----------------|----------------|------------------------|
| 2012-13 | 479             | 80             | 17%                    |
| 2013-14 | 823             | 144            | 17%                    |
| 2014-15 | 853             | 116            | 14%                    |
| 2015-16 | 1,201           | 167            | 14%                    |
| 2016-17 | 795             | 105            | 13%                    |
| 2017-18 | 1,125           | 238            | 21%                    |
| 2018-19 | 1,378           | 174            | 13%                    |

|                          |              |              |            |
|--------------------------|--------------|--------------|------------|
| <b>2019-20</b>           | 955          | 243          | 25%        |
| <b>2020-21</b>           | 769          | 42           | 5%         |
| <b>2021-22</b>           | 654          | 90           | 14%        |
| <b>2022-23</b>           | 396          | 177          | 45%        |
| <b>Total</b>             | <b>9,428</b> | <b>1,576</b> | <b>17%</b> |
| <b>Average per annum</b> | <b>943</b>   | <b>158</b>   | <b>17%</b> |



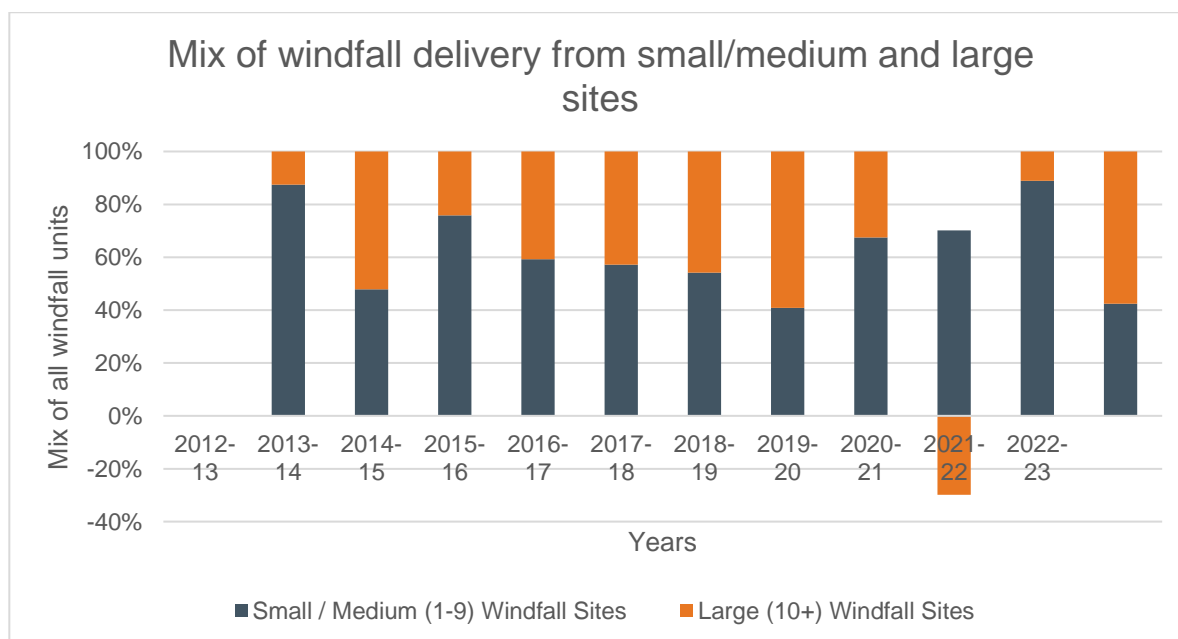
**Figure 1: Windfall units as a proportion of total housing completions**

- 5.3. Overall completions have risen in the middle of the period in question, in line with the adoption of the HDPF and with completions on sites allocated in The Core Strategy (2007) and the Joint Area Action Plan (2009). The decline in completions following the Covid 19 pandemic and the Natural England Position Statement is also evident in years 2020/21 and 2021/22, the latter tempering the recovery from the former where nationally rates increased from the impact of the pandemic.
- 5.4. There is an earlier dip in completions in 2016/17, which coincides with a drop in the number of completions on the Kilnwood Vale site and was followed by the commencement of a number of infrastructure projects on site, such as a school and associated enabling works. Works on site increased the following year (2017/18) with the commencement of phase 2.1B. 2016/17 also marked the close of Phase 1 works on the Highwood site.
- 5.5. What is evident is that the delivery of windfalls tends to mirror the overall level of delivery on sites more generally with peaks and troughs in line.
- 5.6. It is also helpful to consider the delivery of windfall sites by site size to determine whether there should be a differing approach to the two in forecasting windfall delivery. Table 2 shows the split of

small/medium sites (those delivering between 1 and 9 units) and large sites (those delivery 10 or more units).

**Table 2: Windfall completions from small/medium and large sites**

| Year                     | Small / Medium Windfall Site Delivery | Large Windfall Site Delivery |
|--------------------------|---------------------------------------|------------------------------|
| 2012-13                  | 70                                    | 10                           |
| 2013-14                  | 69                                    | 75                           |
| 2014-15                  | 88                                    | 28                           |
| 2015-16                  | 99                                    | 68                           |
| 2016-17                  | 60                                    | 45                           |
| 2017-18                  | 129                                   | 109                          |
| 2018-19                  | 71                                    | 103                          |
| 2019-20                  | 164                                   | 79                           |
| 2020-21                  | 73                                    | -31                          |
| 2021-22                  | 80                                    | 10                           |
| 2022-23                  | 75                                    | 102                          |
| <b>Total</b>             | <b>978</b>                            | <b>598</b>                   |
| <b>Average per annum</b> | <b>98</b>                             | <b>60</b>                    |

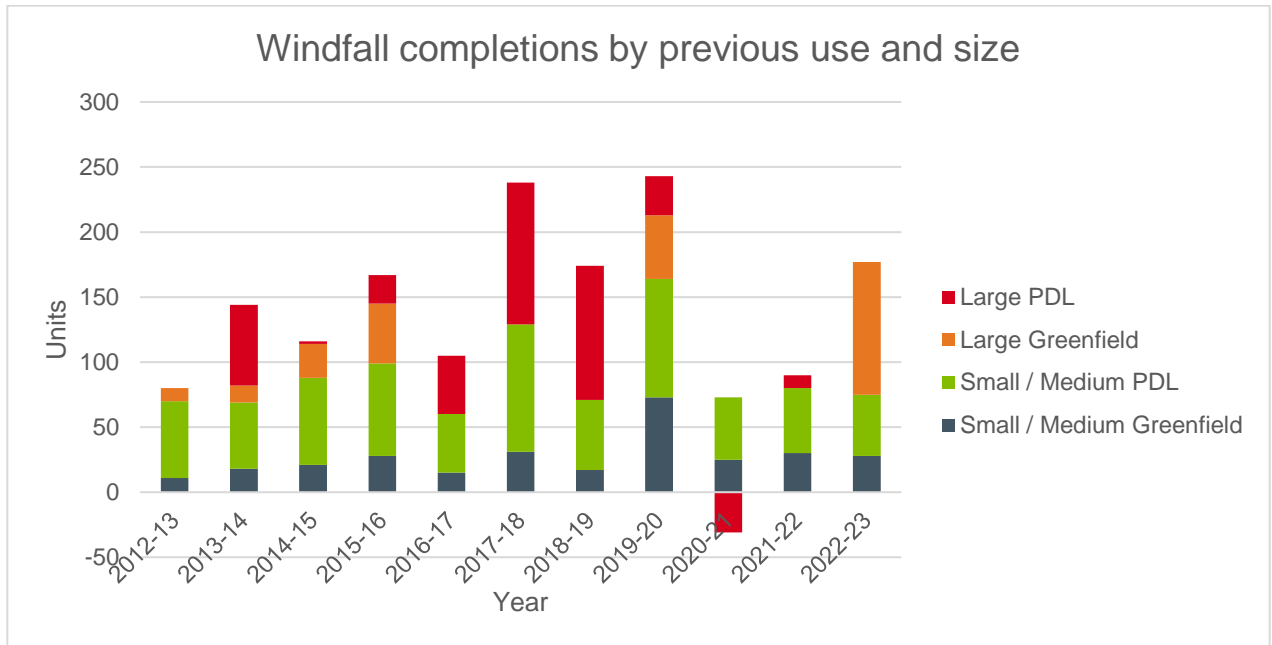


**Figure 2: Mix of windfall delivery from small/medium and large sites**

- 5.7. There has been a larger mix of units coming forward from small and medium sites, perhaps because a large number of sites have been identified through the SHELAA and subsequently not counted as windfalls. The SHELAA document does not consider sites which are likely to yield fewer than 5 units, meaning no small sites would have been discounted from the windfall figures on the basis of being SHELAA sites. Delivery appears to be more consistent across smaller sites, particularly those classed as PDL (Table 3).

**Table 3: Windfall Completions from large and small sites**

| Year                     | Windfall Split                      |            |                            |            |
|--------------------------|-------------------------------------|------------|----------------------------|------------|
|                          | Small / Medium (1-9) Windfall Sites |            | Large (10+) Windfall Sites |            |
|                          | Greenfield                          | PDL        | Greenfield                 | PDL        |
| 2012-13                  | 11                                  | 59         | 10                         | 0          |
| 2013-14                  | 18                                  | 51         | 13                         | 62         |
| 2014-15                  | 21                                  | 67         | 26                         | 2          |
| 2015-16                  | 28                                  | 71         | 46                         | 22         |
| 2016-17                  | 15                                  | 45         | 0                          | 45         |
| 2017-18                  | 31                                  | 98         | 0                          | 109        |
| 2018-19                  | 17                                  | 54         | 0                          | 103        |
| 2019-20                  | 73                                  | 91         | 49                         | 30         |
| 2020-21                  | 25                                  | 48         | 0                          | -31        |
| 2021-22                  | 30                                  | 50         | 0                          | 10         |
| 2022-23                  | 28                                  | 47         | 102                        | 0          |
| <b>Total</b>             | <b>297</b>                          | <b>681</b> | <b>246</b>                 | <b>352</b> |
| <b>Average per annum</b> | <b>30</b>                           | <b>68</b>  | <b>25</b>                  | <b>35</b>  |



**Figure 3: Windfall completions by previous use and size**

- 5.8. Historic windfall delivery has ranged between 5% and 25% of total housing delivery for a given year, however these years were outliers, and the average delivery sat at 15% across the ten-year period assessed, even discounting these years.
- 5.9. Windfall delivery on large sites in 2020/2021 was skewed by the demolition on one site<sup>2</sup> all taking place within one year. This, coupled with the lower scale of delivery which tends to come forward on large (10+) windfall sites led to a negative delivery figure on larger sites for this year.

## 6. Future Impacts

- 6.1. On 14 September 2021 Natural England published a Position Statement stating that water abstraction was having a negative impact on protected wildlife in the Arun Valley. They advised that proposals for development should only be permitted where they are able to demonstrate water neutrality – not leading to an increase in the rate of water abstraction for drinking water supplies above existing levels. This has led to a fall in the number of permissions (for both allocated and windfall development) since 2021.
- 6.2. The consequence of the *CG Fry v SoS and Somerset Council* High Court decision<sup>3</sup> is that a Habitats Regulations Assessment is required at discharge of condition stage, even if the planning permission itself pre-dates the Natural England Position Statement. This has had a further impact on completions from late 2023 onwards.
- 6.3. At the time of writing, work is ongoing to secure a water offsetting scheme which can be used to ensure the emerging Horsham District Local Plan is water neutral and to help facilitate planned

<sup>2</sup> Page Court Livingstone Road DC/19/1603

<sup>3</sup> <https://www.bailii.org/ew/cases/EWHC/Admin/2023/1622.html>



development. The scheme is expected to become operation in Autumn 2024. It remains the case that unplanned, and windfall development, will be required to demonstrate that water neutrality is possible outside of this scheme. There is evidence this can be achieved, as per recent decisions at Land at Duckmoor<sup>4</sup>, Woodfords<sup>5</sup> and Smith and Western<sup>6</sup>.

- 6.4. Further events, such as inflationary pressures, and increases in mortgage rates associated with this, have impacted the housing market and, thus, reduced the number of completions. Notwithstanding this, there is reason to believe the trends in delivery of homes, and associated windfall development, will continue. Evidence over previous decades shows that Horsham district has a track record of early and strong recovery from periods of economic downturn and the associated slowing in housing delivery in comparison.

## 7. Windfall Projections & Housing Land Supply Trajectory

- 7.1. The NPPF allows local authorities to make an allowance for windfall sites coming forward as part of anticipated supply where there is “compelling evidence they will provide a reliable source of supply”. It also requires authorities to have regard to the SHELAA, historic completion rates and expected future trends (Para 72). Sections 3-5 of this document have outlined the justification for inclusion of a windfall figure in the Local Plan housing trajectory. Section 6 has outlined the expected future trends which might impact delivery.
- 7.2. Figure 4 and Table 4 below show the forecast windfall delivery in relation to the overall housing delivery through the Plan Period. For the purposes of the Local Plan Trajectory, and the windfall allowance forecasting, no windfall units have been allocated to years 1 to 3 of the plan period. This is to avoid double counting, as many of the sites that come forward within this period would have been captured within the authority’s trajectory as commitments. A conservative estimate of 120 dwellings per annum has been forecast between years 4 (2026/27) and 17 (2039/40).

**Table 4: Predicted windfall delivery in relation to the overall housing delivery through the Plan Period**

| Year    | All Completions | Total Windfall | Windfall as % of total |
|---------|-----------------|----------------|------------------------|
| 2023/24 | 480             | 0              | 0%                     |
| 2024/25 | 480             | 0              | 0%                     |
| 2025/26 | 480             | 0              | 0%                     |
| 2026/27 | 480             | 120            | 25%                    |
| 2027/28 | 480             | 120            | 25%                    |
| 2028/29 | 901             | 120            | 13%                    |
| 2029/30 | 901             | 120            | 13%                    |
| 2030/31 | 901             | 120            | 13%                    |
| 2031/32 | 901             | 120            | 13%                    |

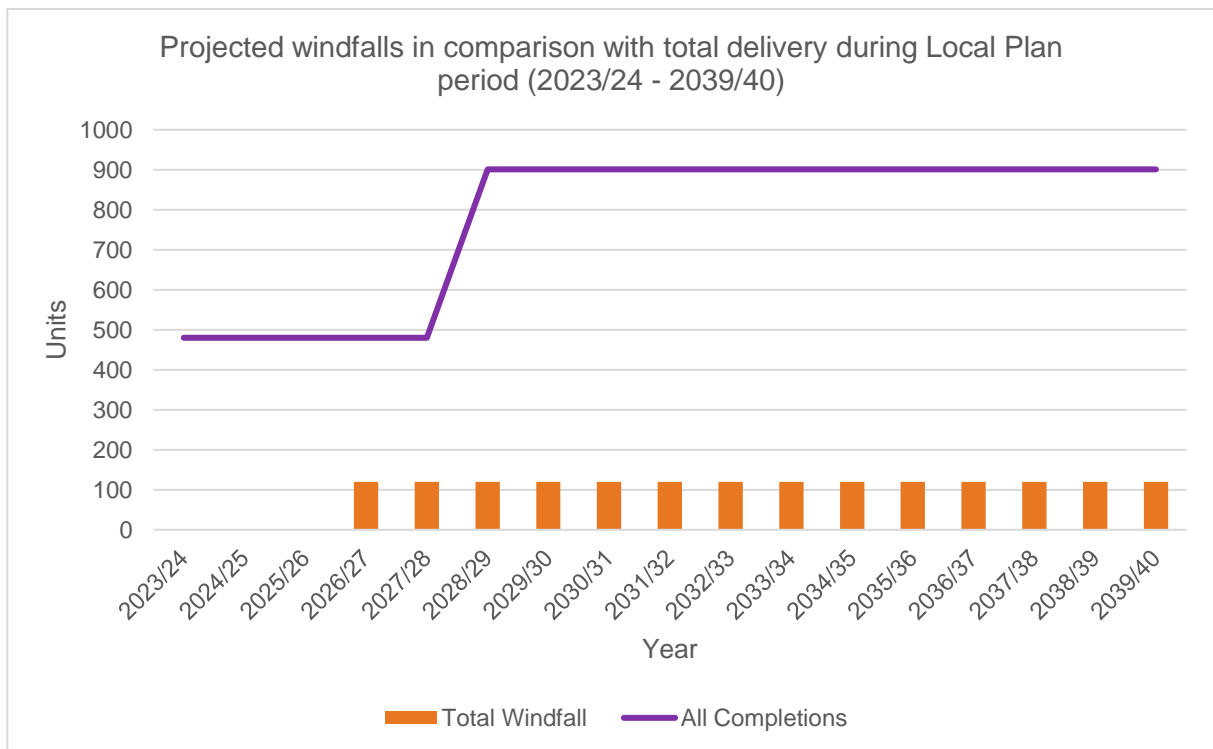
<sup>4</sup> <https://acp.planninginspectorate.gov.uk/ViewCase.aspx?caseid=3283823>

<sup>5</sup> <https://acp.planninginspectorate.gov.uk/ViewCase.aspx?caseid=3283648>

<sup>6</sup>

[https://iawpa.horsham.gov.uk/PublicAccess\\_LIVE/Document/ViewDocument?id=BCEBC46200864955A3BBA64F60364F6E](https://iawpa.horsham.gov.uk/PublicAccess_LIVE/Document/ViewDocument?id=BCEBC46200864955A3BBA64F60364F6E)

|              |               |              |            |
|--------------|---------------|--------------|------------|
| 2032/33      | 901           | 120          | 13%        |
| 2033/34      | 901           | 120          | 13%        |
| 2034/35      | 901           | 120          | 13%        |
| 2035/36      | 901           | 120          | 13%        |
| 2036/37      | 901           | 120          | 13%        |
| 2037/38      | 901           | 120          | 13%        |
| 2038/39      | 901           | 120          | 13%        |
| 2039/40      | 901           | 120          | 13%        |
| <b>Total</b> | <b>13,212</b> | <b>1,680</b> | <b>13%</b> |



**Figure 4: Projected windfalls in comparison with total delivery during Local Plan period**

## 8. Limitations

8.1. The study is based on the evidence available over a period of 10 years, during which time a variety of factors have influenced the delivery of housing overall, and the amount of windfall housing which has come forward. Where appropriate, the Council has sought to present a “worst case” picture of past delivery, for example, by discounting development delivered during periods where the Council was unable to demonstrate a 5YHLS. Nonetheless, the projections are based on a best estimate based on the information available at the time of writing, relating to the housing market, the construction industry, local planning context and short- and long-term delivery patterns.

## 9. Conclusion

- 9.1. A review of historical windfall delivery was undertaken, with regard to the Council's SHELAA. A conservative view of delivery was taken, with units permitted when the Council was unable to demonstrate a 5 year housing land supply discounted from the windfall figure.
- 9.2. The evidence demonstrates that the delivery of around 126 windfall units per year is deliverable in the plan period, based on historical delivery in the District during the previous 10 years. It is suggested the number of units that could reasonably come forward during the Plan Period is 1,680 units, at a rate of 120 units per annum.
- 9.3. It is clear, given the rate of delivery, particularly on smaller sites, and the consistent delivery of windfalls relative to overall completions despite unfavourable market conditions, that not including an allowance for windfall units would underestimate the capacity of Horsham District's housing supply.

## 10. Appendices

### Appendix 1

#### List of Made Neighbourhood Plans

| Neighbourhood Plan Area  | Current Status of NDP as of Dec 2023 | Site Allocations within Plan |
|--------------------------|--------------------------------------|------------------------------|
| Storrington / Washington | Made (5 Sept 2019)                   | Yes                          |
| Warnham                  | Made (27 June 2019)                  | Yes                          |
| Thakeham                 | Made (26 April 2017)                 | Yes                          |
| Slinfold                 | Made (6 Sept 2018)                   | Yes                          |
| Shermanbury and Wineham  | Made (22 June 2017)                  | Yes                          |
| Nuthurst                 | Made (21 Oct 2015)                   | Yes                          |
| <i>Woodmancote</i>       | <i>Made (22 June 2017)</i>           | <i>No</i>                    |
| Upper Beeding            | Made (24 June 2021)                  | Yes                          |
| Henfield                 | Made (24 June 2021)                  | Yes                          |
| <i>Shipley</i>           | <i>Made (24 June 2021)</i>           | <i>No</i>                    |
| Southwater               | Made (24 June 2021)                  | Yes                          |
| <i>Bramber</i>           | <i>Made (24 June 2021)</i>           | <i>No</i>                    |
| <i>Rusper</i>            | <i>Made (24 June 2021)</i>           | <i>No</i>                    |
| <i>Billingshurst</i>     | <i>Made (24 June 2021)</i>           | <i>No</i>                    |
| <i>West Grinstead</i>    | <i>Made (24 June 2021)</i>           | <i>No</i>                    |
| Ashington                | Made (24 June 2021)                  | Yes                          |
| <i>Rudgwick</i>          | <i>Made (24 June 2021)</i>           | <i>No</i>                    |
| <i>Steyning</i>          | <i>Made (7 Sept 2022)</i>            | <i>No</i>                    |
| <i>Horsham Blueprint</i> | <i>Made (14 December 2022)</i>       | <i>No</i>                    |

### Appendix 2

#### List of sites permitted due to lack of 5 year housing land supply

Development Site Rusper Road Ifield

East of Billingshurst (North & South of A272)

Fmr Longfield House East Street Rusper

Land Adjoining Blackthorne Barn Marringdean Road Billingshurst

Land at Daux Wood Marringdean Road Billingshurst

Land at Junction of Stonepit Lane and West End Lane Henfield

Land E/O Turners Close&S/E of Millfield Southwater

Land East of A24 Worthing Road Horsham

Land East of Emmanuel Cottage Rusper Road Ifield Crawley

Land East of Manor Close Henfield West Sussex

Land North of Brook Close and Rother Close Storrington

Land North of Highfield Stane Street Codmore Hill

Land North of Old Guildford Road Broadbridge Heath

Land Rear of 1 To 25 Hayes Lane Slinfold

Land South of Summerfold Church Street Rudgwick

Land To The West of Mill Straight Worthing Road Southwater

Land West of Rascals Close Southwater

Oakview and Land Rear of Tiree Little Twynham and Tenure House Worthing Road Southwater

Land East of Billingshurst North of A272 East Street

Penn Retreat Rectory Lane Ashington

RMC Engineering Services Ltd Workshops Storrington Road Washington Pulborough