

# Local Plan modifications representation

## FPLPM599482649

### Crawley Local Plan

#### Part A personal details

Title	Mr.
First name	Ian
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Has a planning agent been appointed?	No

#### Part B your representation

Which document would you like to make a representation on?	Crawley Borough Local Plan Main Modifications
Enter the Main Modification reference number that this representation relates to	MM30 and MM41
Which policy or paragraph in the Local Plan does this representation relate to?	Policy
Please give details using the Schedule of Main Modifications	H5
Legally compliant?	Yes
Sound?	No
Please give details explaining your response	<p>Proposing an on-site affordable housing model within a C2 (Care) development is non-functional in practice. This is because the majority of care home developers cannot commit to developing sites without an intended care home operator in mind. There is a very limited pool of care home operators that would be willing to acquire a care home with a need to provide affordable beds on-site. This is as a result of the adverse impact on the financial viability of the care home model which has struggled in recent years. In particular, in the aftermath of the pandemic, rising staff costs and the overheads associated with running a care home have risen disproportionately to the income received per bed. Rising build costs have also played a factor in the deliverability of new care homes. The proposed modifications are also currently unclear for developments that fall outside of the town centre, because the suggested wording implies that off-site contributions will be the method of providing affordable housing for C2 (Care) Use schemes outside the town centre. However, the proposed modifications are contradictory as they also emphasise on-site affordable housing being the default expectation. Prospective purchasers of our client's site, therefore, have struggled to find clarity on what assumptions they should be making in their offers in respect of affordable housing contributions. We urge the council to provide clarity on its stance for C2 (Care) schemes in the Borough, particularly those that fall outside of the town centre. We are of the view that should affordable housing be required on-site on C2 (Care) developments, this would be unnecessarily punitive towards care home operators. Simply put, the proposed modifications risk reducing the amount of care homes that are delivered in the Borough which could be to the detriment of the Borough's residents as the demographics suggest a pressing needs for care accommodation.</p>

**Please set out what modification(s) you consider necessary to resolve the issues you have identified above**

Policy H5 (Modification Reference MM30) An affordable housing contribution will be required from all residential developments, including those providing care regardless of whether it falls into Use Class C2 or C3, where on site provision is the default expectation for C3 Residential and Extra Care / Assisted Living developments. In the case of C2 (Care) developments, a commuted sum towards off-site affordable housing provision will be sought, subject to a financial viability assessment. Policy H5 (Modification Reference MM41) On C2 developments outside the Town Centre, the value of the developer's contribution will be determined by using the Borough-Wide Commuted Sums Calculator, applying the scheme's Net Sale Area (NSA) to account for the gross-net ratio of care schemes, and that value shall determine the number of units (or bed spaces) that can be acquired on-site, with or without any additional subsidy, and of an appropriate tenure. In the case of C2 (Care) developments, a commuted sum towards off-site affordable housing provision will be sought, subject to a financial viability assessment, rather than on-site provision being the default expectation. For C3 Residential and Extra Care / Assisted living developments, on-site provision is the default expectation.

**Upload any supporting documentation or files**

MM30 and MM41 Representation - Savills (UK) Limited - Final.pdf

**Form submitted by:**

Mr. Ian Fowler on 25/03/2024

25 March 2024



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Dear Sir / Madam,

### **Crawley Local Plan Main Modifications Representations 2024**

This representation has been prepared by Savills, on behalf of Hazelwick School, in response to MM30 and MM41 to the Crawley Local Plan, both of which relate to Policy H5 – Affordable Housing. The consultation is open from Monday 12 February to Monday 25 March 2024.

#### **1. Background**

Savills is instructed by Hazelwick School to market land surplus to requirements within the school's campus which has been identified as suitable for C2 (Care) development. The site comprises a former caretaker's house, garden and part of the school's sports fields. The building has been vacant for a number of years and is in need of significant refurbishment.

The school's senior leadership team is constantly looking at ways to improve the school and the student experience, and have reached the conclusion that better use could be made of the land. The school envisage using funds generated from the sale to further redevelop and enhance the existing offering for students on site.

A care home has specifically been chosen as a low intensity use that will fit well with the school's existing operation. It is a relatively quiet use that can be accommodated next to an academic environment. Traffic generation is low and generally outside of the busy times at the school.

The demographics for the area suggest that there are 13,047 people aged 75 years plus in the Borough, which is projected to increase by 1,175 people by 2026. Of the current supply of care homes in the Borough, only 2 have been purpose built since 2010. These figures demonstrate a strong elderly population and therefore a need for more modern care facilities to be delivered within the Borough to replace dated stock which may be unsuited to modern resident preferences.

The site received a positive pre-application response from Crawley Borough Council in April 2023. The response was such that the principle of development for a C2 (Care) scheme in this location was supported, however we are of the view that the proposed modifications MM30 and MM41 to the Crawley Borough Local Plan have the potential to impact on the feasibility of delivering a care home on this site.

Marketing commenced in mid-January 2024 and offers were received from interested parties at the end of February 2024. A number of these parties, however, are concerned about the proposed modifications and the impact they will have on a proposed C2 (Care) development at the property. A number of these parties have also made their own representations on this matter.

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

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## **2. Adopted Policy**

We have reviewed the Borough's current adopted planning policy and comment as follows. The Crawley Borough Local Plan (adopted December 2015) does not make reference to a need for affordable housing to be provided on C2 (Care) developments, and only outlines an affordable housing requirement for C3 (Residential) developments.

The Affordable Housing Supplementary Planning Document (dated November 2017) makes reference to a requirement for affordable housing from extra care developments, however an affordable housing requirement for C2 (Care) Use specifically is not captured in this SPD.

We note that there is no reference for a need to provide affordable housing within C2 (Care) developments within the 'Improving Lives Together – Our ambition for a healthier future in Sussex: Sussex Health and Care' document dated December 2022. Furthermore, we note that the Viability Assessment prepared by Dixon Searle in December 2022 excludes an example appraisal of a development containing a C2 (Care) scheme, and instead only tests the impact of the Borough's emerging policy purely on C3 (Residential) developments.

## **3. Proposed Policy**

The proposed modifications MM30 and MM41 to the Crawley Borough Local Plan 2023 to 2040 suggest 40% affordable housing will be required from all residential developments (including both C3 and C2 use classes), where on-site provision is the default expectation and off-site contributions in lieu may be considered in exceptional circumstances.

The modifications state that for C2 developments outside the town centre, the value of the developer's contribution will be determined by using the Borough-Wide Commuted Sums Calculator, applying the scheme's Net Sale Area (NSA) to account for the gross-net ratio of care schemes.

## **4. Key Issues**

Proposing an on-site affordable housing model within a C2 (Care) development is non-functional in practice. This is because the majority of care home developers cannot commit to developing sites without an intended care home operator in mind. There is a very limited pool of care home operators that would be willing to acquire a care home with a need to provide affordable beds on-site. This is as a result of the adverse impact on the financial viability of the care home model which has struggled in recent years. In particular, in the aftermath of the pandemic, rising staff costs and the overheads associated with running a care home have risen disproportionately to the income received per bed. Rising build costs have also played a factor in the deliverability of new care homes.

The proposed modifications are also currently unclear for developments that fall outside of the town centre, because the suggested wording implies that off-site contributions will be the method of providing affordable housing for C2 (Care) Use schemes outside the town centre. However, the proposed modifications are contradictory as they also emphasise on-site affordable housing being the default expectation. Prospective purchasers of our client's site, therefore, have struggled to find clarity on what assumptions they should be making in their offers in respect of affordable housing contributions.

We urge the council to provide clarity on its stance for C2 (Care) schemes in the Borough, particularly those that fall outside of the town centre. We are of the view that should affordable housing be required on-site on C2 (Care) developments, this would be unnecessarily punitive towards care home operators. Simply put, the proposed modifications risk reducing the amount of care homes that are delivered in the Borough which could be to the detriment of the Borough's residents as the demographics suggest a pressing needs for care accommodation.

## 5. Suggested Alternative

In order to provide clarity to care home developers and operators looking at current and future schemes in the Borough, we object to the proposed modifications to the Crawley Borough Local Plan 2023 to 2040, and instead we are of the view that an alternative wording would be better suited to this policy.

It is clear that the Borough has captured an affordable housing requirement for extra care developments, as this is outlined in the Affordable Housing Supplementary Planning Document (dated November 2017), but to date planning policy has not referenced a need for on-site affordable housing to be drawn from C2 (Care) products.

We are therefore of the view that a requirement for on-site affordable housing within a care environment should only be applied to products that fall within the extra care classification only, rather than conventional C2 Use care homes. This is due to the fact that the profits from an extra care facility are significantly higher than a conventional C2 Use care home, in which revenue generated from open market care is needed to secure the running of such facility.

We suggest that if it is the intention to capture affordable housing within a C2 Use care home, it should be captured via off-site monetary contributions, which could then contribute towards a bespoke facility in the Borough run by either West Sussex County Council Adult Services or the NHS. Such facility would present a much bigger offering compared to the proposed on-site affordable beds within individual care homes, and would benefit significantly from the economies of scale achieved by running a bespoke social housing care scheme.

In nearby authorities such as Guildford, for example, the Borough does not seek to gain an affordable housing contribution from C2 (Care) uses, reflecting the issues around financial viability and also the pressing needs for care accommodation in the Borough.

In particular, the changes sought to the proposed modifications to the Borough Local Plan are set out below. Proposed deletions have been illustrated as ~~(red strike through)~~ and additional wording in red underline.

### **Policy H5 (Modification Reference MM30)**

*An affordable housing contribution will be required from all residential developments, including those providing care regardless of whether it falls into Use Class C2 or C3, ~~where on-site provision is the default expectation while off-site contributions in lieu may be considered in exceptional circumstances~~ where on-site provision is the default expectation for C3 Residential and Extra Care / Assisted Living developments. In the case of C2 (Care) developments, a commuted sum towards off-site affordable housing provision will be sought, subject to a financial viability assessment.*

### **Policy H5 (Modification Reference MM41)**

*On C2 developments outside the Town Centre, the value of the developer's contribution will be determined by using the Borough-Wide Commuted Sums Calculator, applying the scheme's Net Sale Area (NSA) to account for the gross-net ratio of care schemes, and that value shall determine the number of units (or bed spaces) that can be acquired on-site, with or without any additional subsidy, and of an appropriate tenure. In the case of C2 (Care) developments, a commuted sum towards off-site affordable housing provision will be sought, subject to a financial viability assessment, rather than on-site provision being the default expectation. For C3 Residential and Extra Care / Assisted living developments, on-site provision is the default expectation.*

## 6. Summary

The site offers an excellent opportunity to provide much needed care development for the Borough, however the proposed modifications pose a significant financial risk in that the development will not be sufficiently viable for a private operator to take forward. The changes outlined in this representation are required to reduce the possibility of the proposed modifications having an adverse impact on bringing forward C2 (Care) developments in the Borough.

If you have any queries or require any additional information, please do not hesitate to contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to read "I. Fowler", written over a light grey rectangular background.

**Ian Fowler MSc MRICS**  
**Director**  
**Savills (UK) Limited**