

# Emerging Draft Windfall Topic Paper

December 2020

## 1 Introduction

- 1.1 The following paper sets out the Council's emerging draft approach to assessing residential windfall development. This paper includes a summary of the national policy requirements that should be adhered to and have informed the emerging new methodological approach used. The paper also includes analysis of past windfall from 2010/2011 to 2019/2020 looking at overall past trends and trend by land supply category. This has also included looking at comparator LPAs and their approaches to windfall, including Welwyn & Hatfield and Broxbourne. It concludes by setting out what the appropriate evidenced windfall allowance for St Albans City & District Council is. This new approach is currently a work in progress but is considered will ultimately be the most robust approach to take.
- 1.2 This paper has been updated since November 2020. The update provides further detailed breakdown of previous land use for windfall. This breakdown has been provided on small sites (1-4) and medium sites (5-9).

## 2 What is windfall?

- 2.1 Whilst all Council's make every endeavour to identify suitable development sites, it is inevitable that other sites will come forward unexpectedly. Such sites are referred to as 'windfall' and can arise for various reasons, e.g.
  - Changes in circumstances may result in sites which were never previously considered for development coming forward over time (particularly in St Albans, due to the age of the current 1994 Local Plan);
  - Landowners may not have been aware of the Local Plan process or known that they could promote their sites as part of it;
  - Landowners who knew about the Local Plan process may not have considered it timely, necessary or worthwhile to promote their site; and
  - Sites may not be allocated, for example because they are too small, but nevertheless could be developed at some point over the plan period.

## 3 National Planning Policy

### A. National Planning Policy Framework (NPPF) (2019)

- 3.1 The NPPF Glossary on page 73 defines windfall as "sites not specifically identified in the development plan".

The NPPF in paragraph 70 sets out "*Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply.*" It goes on further to state that "*Any allowance*

*should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends.”*

- 3.2 The NPPF states *“Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.”* It should be noted that this approach has been updated since the 2012 NPPF. In paragraph 48 of the NPPF 2012<sup>1</sup> it explicitly stated that windfall allowances *“should not include residential gardens”*. As such, the appropriateness of whether residential gardens should be included in the windfall assumptions is considered in the methodology and historic trends.

## **B. National Planning Practice Guidance (NPPG)**

- 3.3 The NPPG section Housing and Economic Land Availability Assessment (HELAA) provides further guidance on windfall allowances. It sets out that assessing windfall forms Stage 3 of the HELAA method but only where there is justification for a windfall allowance.
- 3.4 The NPPG section on Housing Supply and Delivery also provides further guidance on windfall. It notes the requirement to assess the permissions granted for windfall development by year and how this compares with the windfall allowance. This is required to be reported in Annual Position Statements of five-year land supply.

## **4 Windfall Methodology**

- 4.1 The methodology is based upon an analysis of windfall delivery rates for years 2010/11 to 2019/20 for which the council has detailed records. It is based upon the advice and guidance in the NPPF and the PPG.
- 4.2 The methodology is based upon a multi-stepped approach as follows:
- I. Provides a record of total housing completions and categorises windfalls based on the number of dwellings delivered during a whole economic cycle;
  - II. Examines the results over the study period 2010-2020;
  - III. Analyses the historic trends and whether there is sufficient evidence for the inclusion of a windfall allowance in the supply; and
  - IV. finally based on the evidence provides a figure for anticipated housing delivery from windfall sites which takes into account future market trends, policy changes and assessment of whether there is likely to be an increase or decrease in windfall completions.
- 4.3 The Windfall assessment figures in the paper reflect net completions on sites, including sites identified in the SHLAAs (last updated in 2018). Windfall figures do not include:

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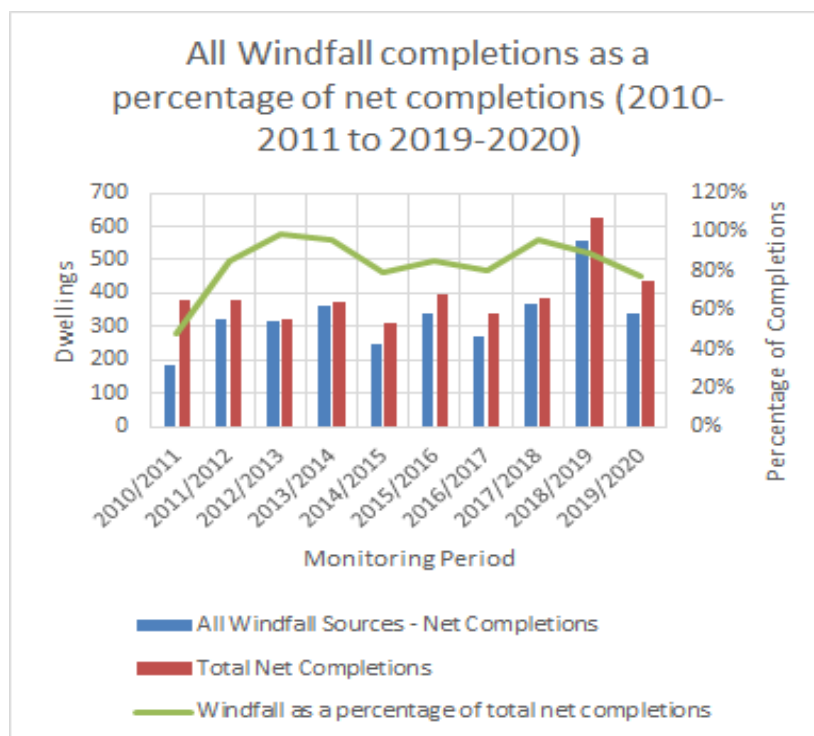
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- Allocations made in the adopted and saved 1994 District Local Plan Review which have largely been delivered;
- Completions in the Metropolitan Green Belt. The district is over 80% Green Belt and any Green Belt Green Field (GBGF) sites likely to be granted planning permission in the Green Belt would need to demonstrate very special circumstances which would outweigh harm to the openness of the Green Belt and any other harm. Windfalls resulting from this source have therefore been excluded as it cannot be assumed to be a reliable future contribution. These are sites that potentially would have been allocated in an up-to-date local plan following Green Belt release. Previously Developed Land (PDL) in the Green Belt has been included in the windfall and the rationale for this is explained further within this paper.

4.4 The 2019 NPPF no longer makes reference to windfall sites being on previously developed land or considers exclusions should be made to development in residential gardens. Therefore, the windfall analysis throughout this report will consider all development that was not expected. Development in large residential gardens have therefore been included in the assessment. They have provided a consistently reliable source of delivery across the district over the years.

## 5 Windfall Evidence

5.1 Monitoring records show that since 2010/11 windfall has consistently delivered a very significant proportion of St Albans housing completions. The chart below presents the total number of windfall completions between 2010/11 and 2019/20 as a proportion of total completions.

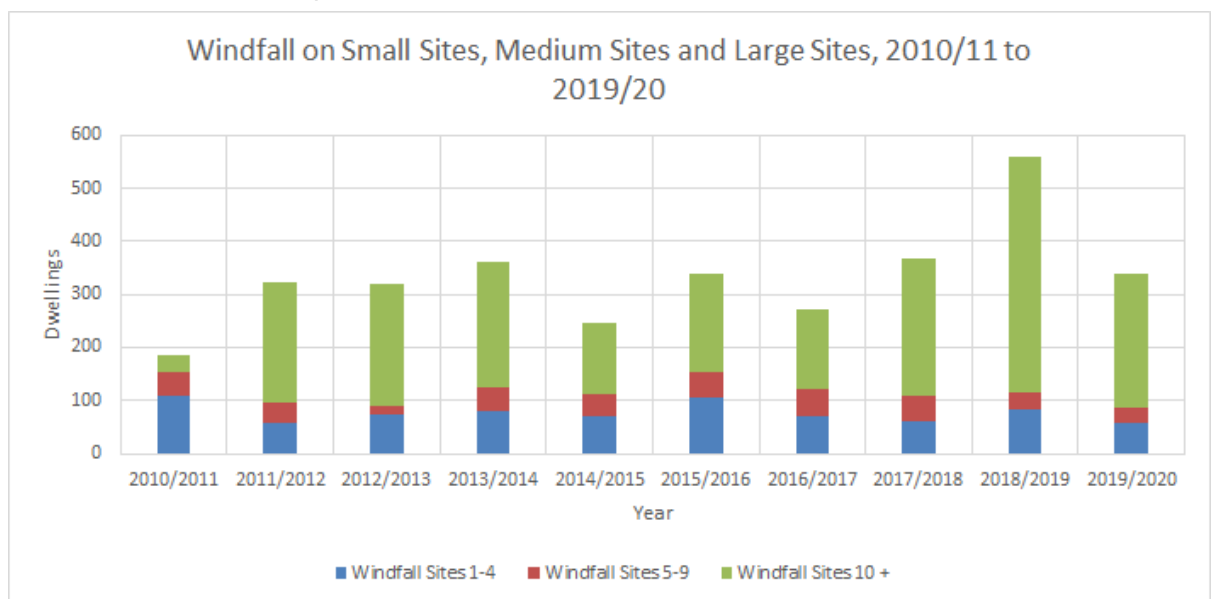


5.2 Since 2010/11 windfall has comprised 84% of the overall net residential completions, this includes Green Belt PDL. Over the 10-year period an average of 331 residential dwellings per annum have been delivered on windfall sites. It is important to note that primarily due to the age of the current adopted Local Plan, that there are fewer sites allocated for development than would be usually be expected.

## 6 Detailed Windfall Analysis

### A. Windfall by site size

6.1 The chart below shows historic windfall rates broken down by site size. These are classified as small sites (four or fewer dwellings), medium sites (those accommodating between 5 and 9 dwellings), and large sites (10 or more dwellings). The graph also includes Green Belt PDL. This allows for an analysis of historic trends based on different scales of development.

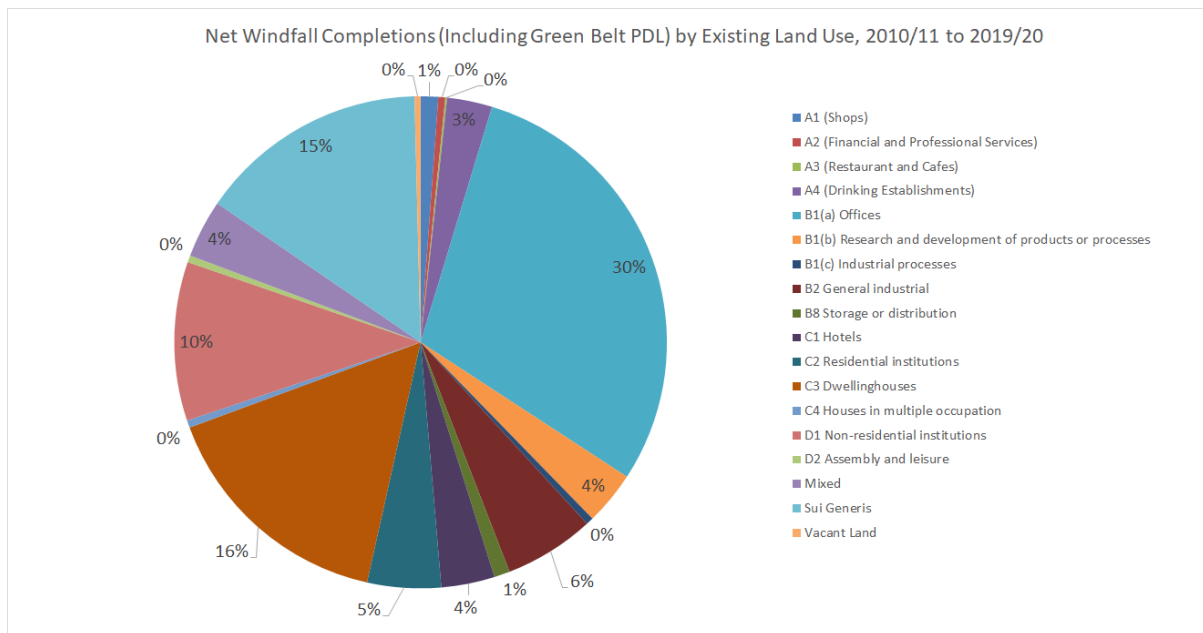


6.2 The data clearly illustrates that large sites are the most significant in terms of housing delivery during the period 2010/11 to 2019/20. On average 65% of windfall has been provided on large sites, which is an average of 214 dwellings per annum. In the same period, small sites have contributed 23% and medium sites 12% of net residential completions.

6.3 Although the windfall completions have fluctuated (as is common, housing delivery is always in reality somewhat 'lumpy') over the period there is no evidence that the supply is diminishing from any of the three size threshold categories. The figures provide historical evidence of consistent and reliable windfall gains particularly from large sites. As national policy seeks to boost housing delivery from all sources there is no reason why delivery at such high rates should not be expected to continue in the future.

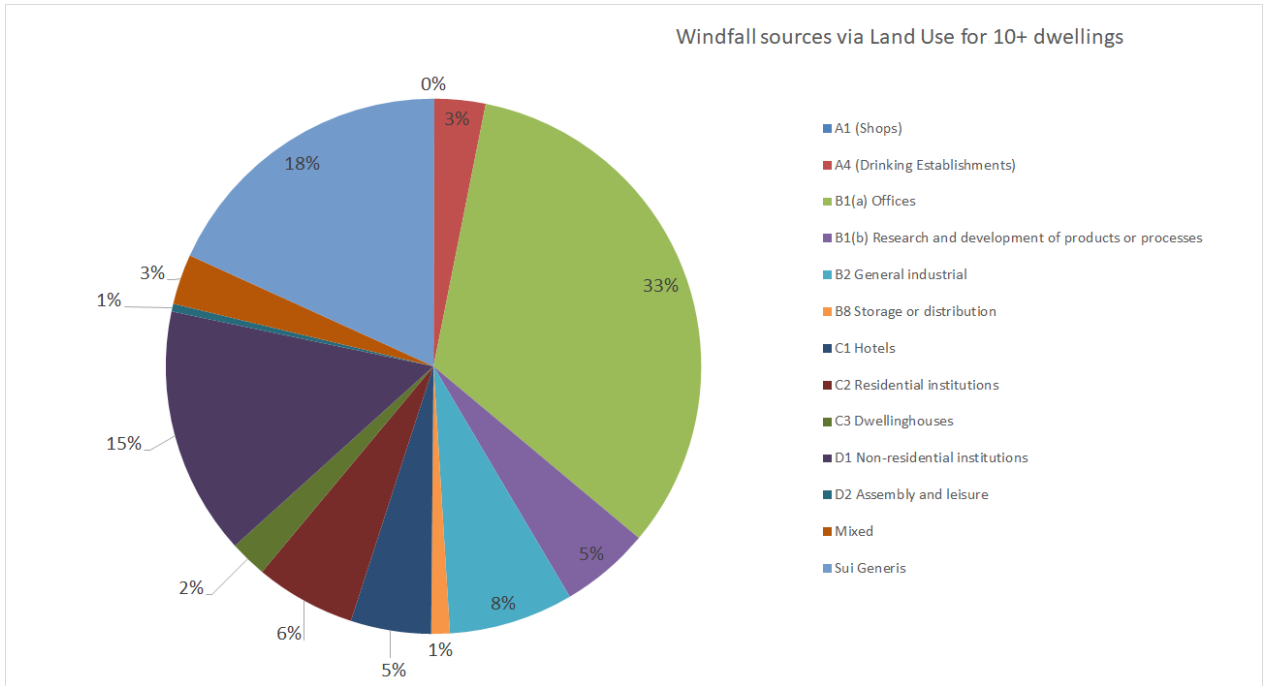
## B. Windfall by land use across all site size

6.4 Use Class B1 (a) Offices represented the largest existing land use category accounting for 30% of all net windfall completions. The second largest existing land use category was residential (Use Class C3 Dwelling Houses) representing 16% of all net windfall completions. This was followed by existing land uses classified as Sui Generis, which accounted for 15% of all net windfall completions.



## C. Windfall by land use - Large Sites (10 plus)

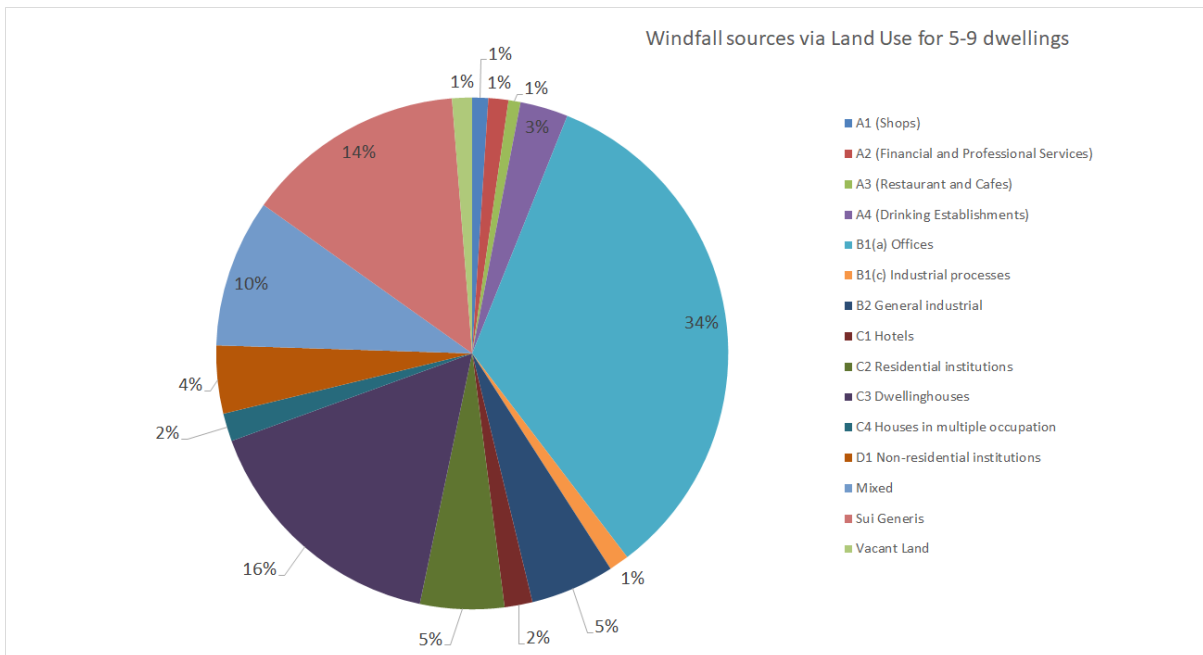
The previous land use for past windfall has been assessed on all sizes of sites that have delivered 10 residential units or more. This includes Green Belt PDL. The paper sets out the previous land use based on Use Class Order pre September 2020. The chart below sets out what the previous land use was prior to residential development.



6.5 In terms of the nature of windfall completions and sites that have come forward over the last 10 years in the district on sites of 10 units or more, the large majority of windfall completions have been the conversion of B1 (a) offices. There has also been significant supply from C1 hotels, C2 Residential Institutions, B2 General Industrial and A4 Drinking Establishments.

**D. Windfall by land use – Medium sites (5-9)**

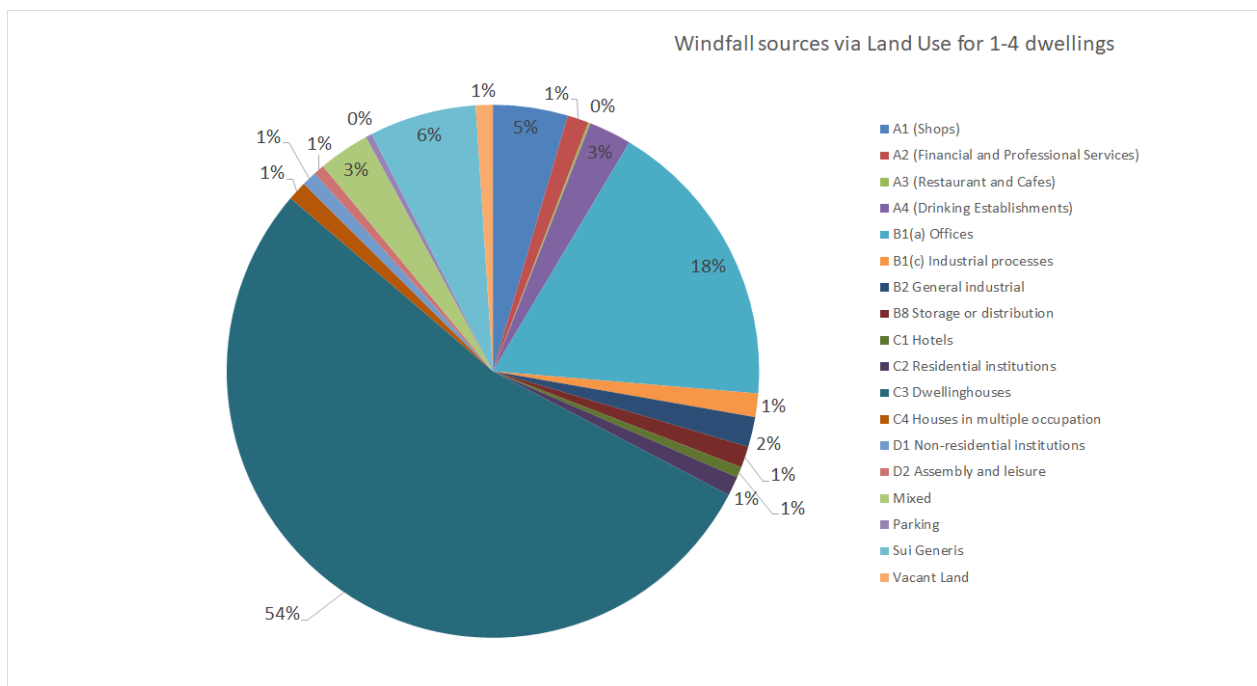
6.6 The previous land use for past windfall has been assessed on all sizes of sites that have delivered 5-9 residential units and includes Green Belt PDL. The paper sets out the previous land use based on Use Class Order pre September 2020. The chart below sets out what the previous land use was prior to residential development.



6.7 In terms of the nature of windfall completions and sites that have come forward over the last 10 years in the district on sites of 5-9 residential units, the large majority of windfall completions have been the conversion of B1 (a) offices. There has also been significant supply from A4 Drinking Establishments and Sui Generis.

**E. Windfall by land use – Small (1-4)**

6.8 The previous land use for past windfall has been assessed on all sizes of sites that have delivered 1-4 residential units and includes Green Belt PDL. The paper sets out the previous land use based on Use Class Order pre-September 2020. The chart below sets out what the previous land use was prior to residential development.



6.9 In terms of the nature of windfall completions and sites that have come forward over the last 10 years in the district on sites of 1-4 residential units, the large majority of windfall completions have been the sub-division of C3 Dwelling houses

**7 Sources of Future Windfall Supply**

***Residential Redevelopment***

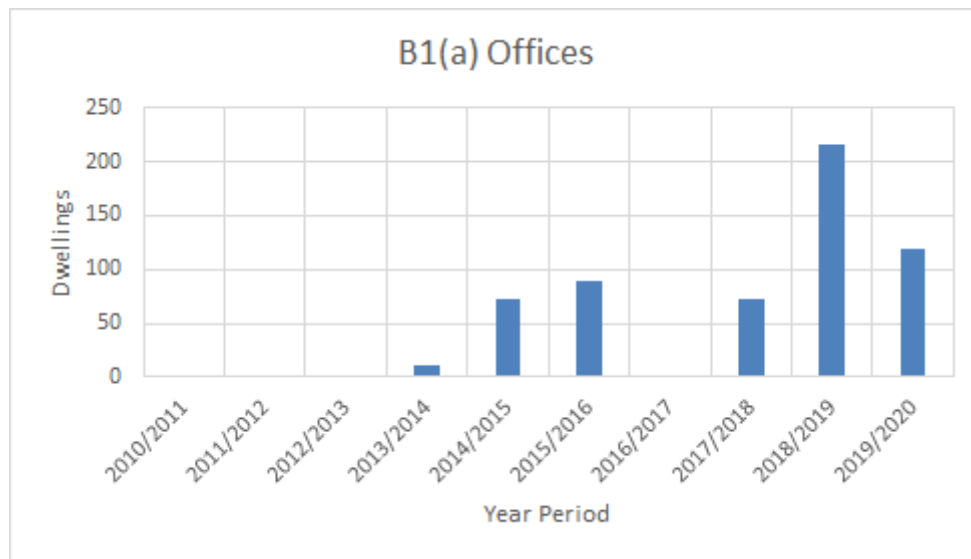
7.1 Residential redevelopment is the second largest source of land supply. In the main, sites of 10 units or more C3 dwelling houses does not form a substantial part of the land supply. They do however on small sites (1-4 units).

***Agricultural Buildings***

7.2 Although the authority is by area largely agricultural, the windfall contribution from completions on previous agricultural buildings has not been significant in St Albans District. In addition, the NPPF (2019) Glossary the definition of ‘Previously Development Land’ excludes agricultural buildings.

***Business – Offices***

- 7.3 Former land for offices has formed the largest part of the windfall supply for large (10 units or more) and medium sites (5-9 units).

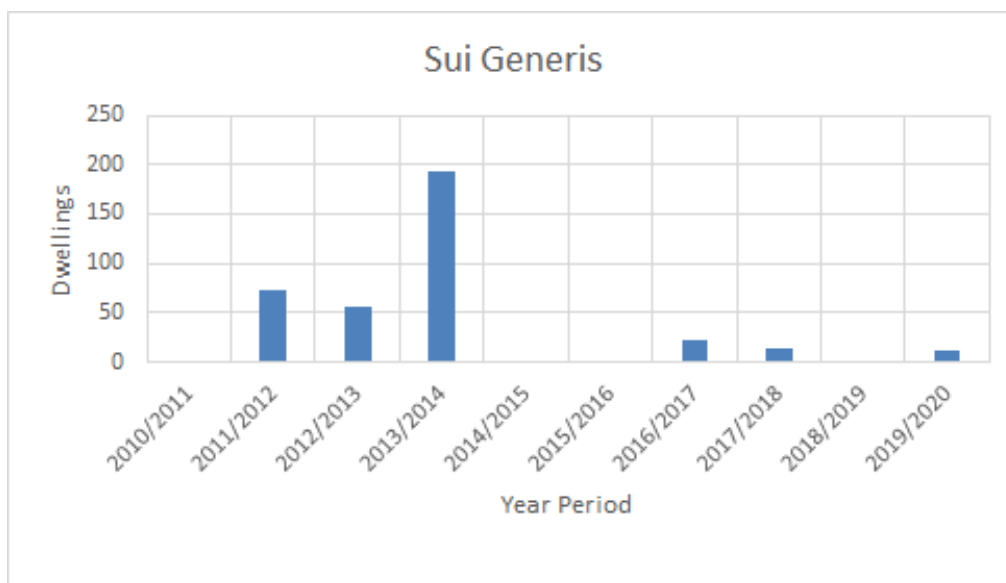


- 7.4 Since 2014 the conversion of offices to residential has been making a significant contribution to the housing provision. This correlates with when the Government's introduced permitted development rights allowing the conversion from offices to residential without planning permission. Since this was introduced, the Council has implemented Article 4 Directions in March 2018 removing these permitted development rights in a number of key designated employment areas. Despite these Article 4 Directions it is expected that this trend will continue at a reasonable rate for the foreseeable future. Additionally, whilst uncertain, most current commentary considers that the most likely long term consequence of COVID-19 will be a contraction in the office market both because of a contraction in employment and as remote working becomes increasingly effective and popular.

### ***Sui Generis***

- 7.5 Overall, sui generis is the third largest component of windfall. The second largest component of the windfall on sites capable of delivering 10 units or more, is sui generis. It is the third largest component for sites capable of delivering 5-9 units. Sui generis is a term used to categorise uses that do not fall within any particular use class order for the purpose of planning permission. From reviewing historic permissions, sui generis windfall comprises parts of train stations, service stations, amenity land, garage blocks, scrap yards and bus depots.





### ***Previous Developed Land (PDL) in the Green Belt***

- 7.6 Green Belt PDL has been included in the windfall assumption. Green Belt PDL makes up 12% of net windfall completions, amounting to 405 dwellings over a ten year period. With urban PDL accounting for 88% equating to 2,902 units over the 10 year period. A graph in Appendix 1 sets out further details on previous land use for PDL Green Belt sites.
- 7.7 The table below sets out net completions for all PDL across the 10 year period. It evidences that Green Belt PDL is a consistent source of supply and on average equates to 41 residential units per year.

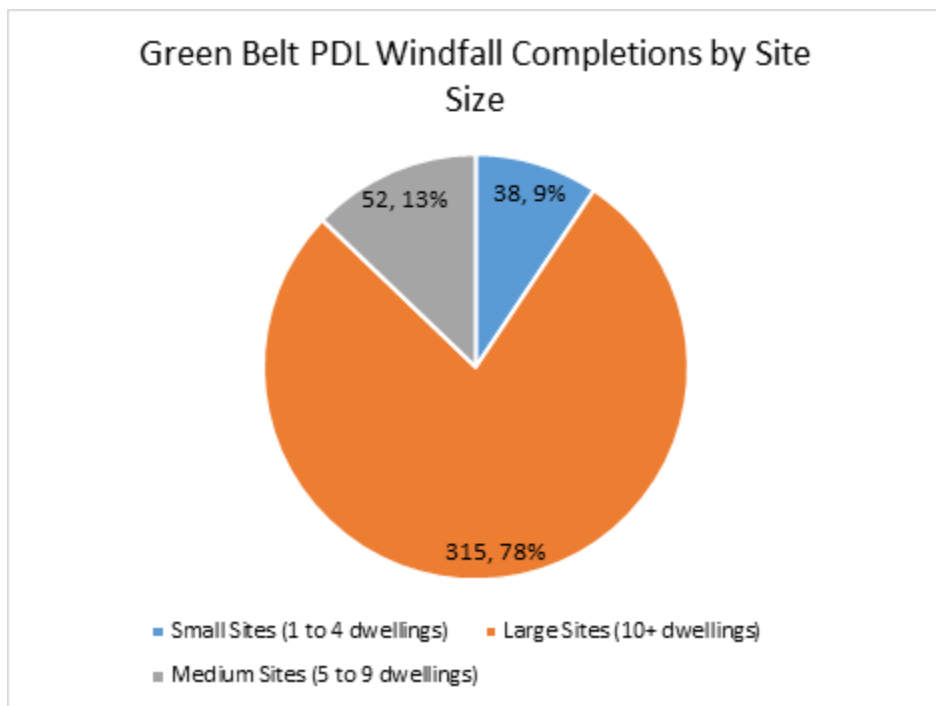
**Table of Windfall Net Completions, Urban & Green Belt PDL (2010/11 to 2019/20):**

Year	Urban	Green Belt PDL	Total
2010/2011	142	42	184
2011/2012	259	63	322
2012/2013	317	1	318
2013/2014	383	-22	361
2014/2015	210	37	247
2015/2016	320	18	338
2016/2017	225	47	272
2017/2018	349	19	368
2018/2019	437	121	558
2019/2020	260	79	339
<b>Total</b>	<b>2,902</b>	<b>405</b>	<b>3,307</b>

<b>Annual Average</b>	<b>290</b>	<b>41</b>	<b>331</b>
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7.8 The chart below demonstrates that overall Green Belt PDL sites tend to be large in scale. Large scale sites account for 78% of all sites delivered over the 10 year period, equating to 315 new homes.

7.9 It is considered that large PDL sites in the Green Belt may not be a consistent reliable source of future supply, especially in the shorter term. Specific recent examples of large site GB PDL include the BRE and Harperbury Hospital. On the other hand, small and medium sized sites are considered to be a reliable source of supply because national policy allows for the redevelopment of these types of sites in accordance with its policies on the Green Belt, as well as conversion of buildings under updated permitted development.



***Other Sources of Windfall and Windfall Phasing***

7.10 As stated in Section 6A, large sites form the greatest residential windfall contribution. This contribution is comprised of various land uses. Not all of these land uses can be considered a reliable source of supply as required by the NPPF. It is considered that B1 (a) office will continue to be a reliable source of supply, along with B2 general industry. The averages for these uses have been included in the windfall assumptions consistently across the period. This amounts to 74 dwellings a year from large sites, not including Green Belt PDL.

7.11 In addition, sites under 10 units are considered to be a consistent source of land supply, including PDL in the Green Belt. Therefore, it is applied across the entire plan period. This equates to an average of 117 dwellings on small and medium scale sites, including Green Belt PDL.

- 7.12 These different sources of land supply equate to an average of 191 residential dwellings per annum.
- 7.13 For the reasons given above, this is overall a cautious assumption, given the average of 331 dwellings per annum windfall over the last 10 years.
- 7.14 As is common practice, the windfall allowance is excluded in the first two years, starting in 2022/2023. This is because the very large majority of homes completed in this timeframe are likely to already have permission and therefore to avoid double counting.

## **8 Conclusion**

- 8.1 This evidence demonstrates that based on historic rates windfalls over the last 10 years have consistently provided the majority of housing provision across the district. The figures shows that 3,307 dwellings were built on windfall sites in the last 10 years, excluding development allowed on Green Field Green Belt. Windfall accounts for 84% of the overall net residential completions. This provides on average of 331 dwellings per annum on sites of all sizes. 65% of windfall has be provided on large sites, 12% on medium and 23% on small sites.
- 8.2 As required by the NPPF, there is clearly the required “compelling evidence” for a reasonable windfall allowance of 191 residential dwellings per annum to be included in the housing trajectory. However, following common practice and to avoid potential double counting, the windfall allowance will not be included in the first two years of the housing supply.
- 8.3 This method and approach will be used to support the Stage 3 Housing Employment Land Availability Assessment (HELAA) in Stage 3. Windfall delivery will continue to be reported in the Annual Monitoring Report, which is due to be published at end of the year.

## Appendix 1

