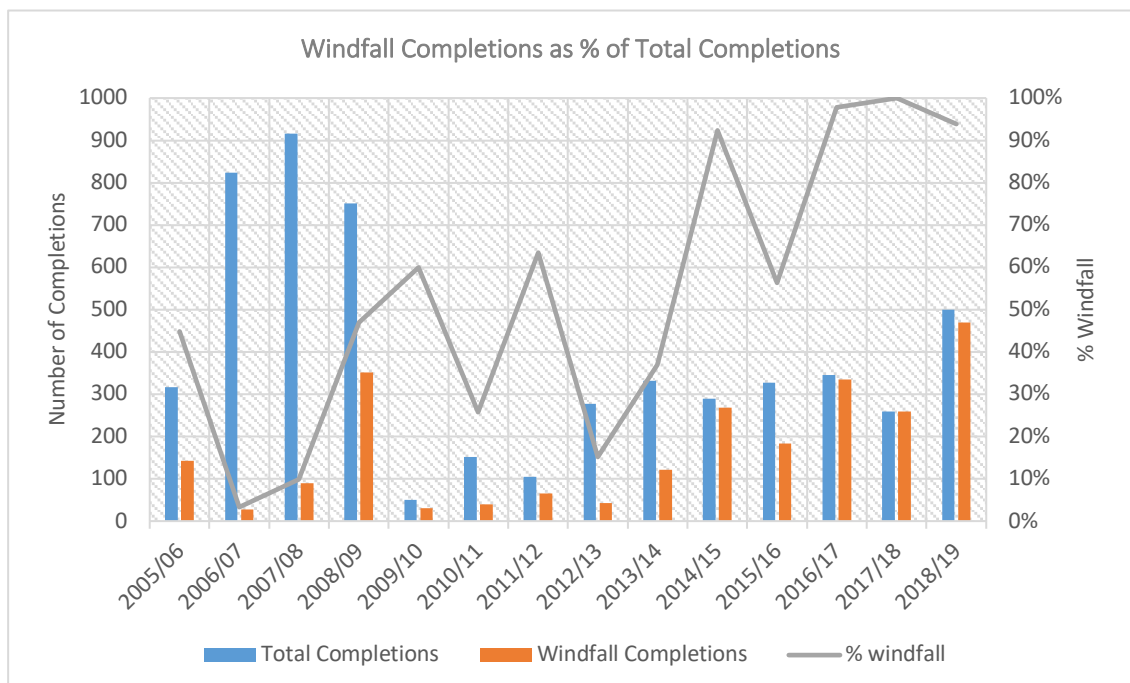


## Local Plan Windfall Allowance Update – November 2020

- 1.1 The 2012 National Planning Policy Framework defines windfall as “Sites which have not specifically been identified as available in the Local Plan process. They normally comprise of previously-developed sites that have unexpectedly become available”<sup>1</sup>
- 1.2 The Framework states that Local Planning authorities may make an allowance for windfall sites 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. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens.”<sup>2</sup>
- 1.3 An updated assessment of windfall was undertaken and presented in the Housing and Economic Land Availability Assessment (HELAA) 2019<sup>3</sup>. The methodology used for this assessment looked at the level and consistency of historic windfall delivery by former land use, across the 12 year period 2005/06 – 2018/19. This time frame covered 6 years of the District Plan period following its adoption in 2005 through to 2011, and the subsequent 6 years thereafter. The methodology considered whether windfall supply from each land use was expected to continue in future years and whether this would be at a similar rate, based on professional judgement and informed by existing and emerging policy that could affect the availability of some former land uses for development in future years.
- 1.4 The data showed that on average there were 173 windfall completions each year. Over the 14 year time frame, the average proportion of completions classed as windfall was 44.7%. This varied considerably from year to year, although followed an upward trend as the District Plan became older and allocated sites were completed.

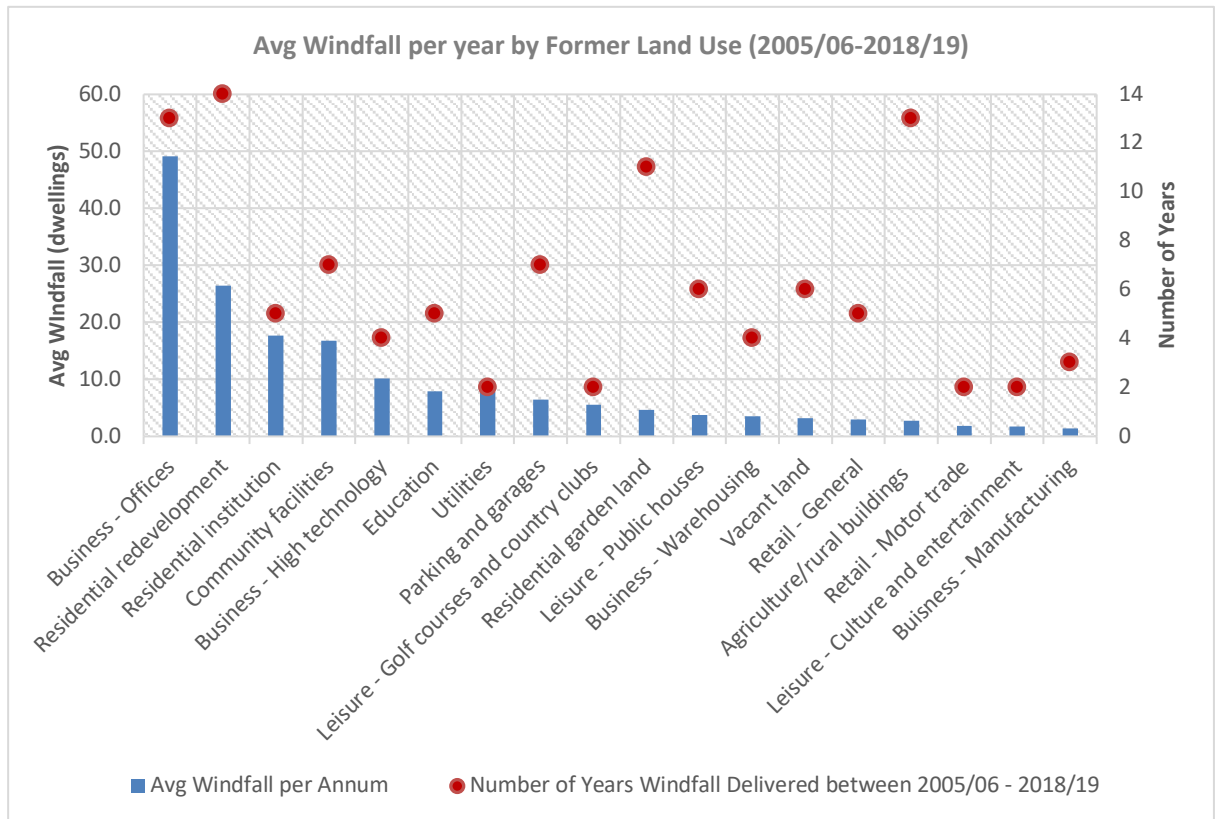


<sup>1</sup> The National Planning Policy Framework, CLG, 2012, Annex 2: Glossary

<sup>2</sup> The National Planning Policy Framework, CLG, 2012, paragraph 48

<sup>3</sup> HELAA 2019, Chapter 5 - [https://www.welhat.gov.uk/media/15899/1-HELAA-2019-Report-Dec-2019/pdf/1 HELAA 2019 Report Dec 2019.pdf?m=637140972944130000](https://www.welhat.gov.uk/media/15899/1-HELAA-2019-Report-Dec-2019/pdf/1%20HELAA%202019%20Report%20Dec%202019.pdf?m=637140972944130000)

1.5 An allowance was made for land uses that had provided a consistent supply of windfall throughout the historic period and that were expected to continue to do so going forward. The chart shows the average annual level of windfall by former land use and the number of years (of the 14 year period analysed) that each land use contributed to the supply.



### Sources of Future Windfall Supply - HELAA 2019

1.6 As explained in the HELAA 2019, a windfall allowance was made for the following former land uses which have consistently contributed to the windfall supply in the past, including:

- **Residential redevelopment** – which provided the most consistent supply of windfall sites, contributing a large number of small sites every year. Windfall from this land use is expected to continue at the historic rate of 26 dwellings per annum across the plan period.
- **Agriculture and Rural Buildings** – there were windfall completions from this use in 13 years of the 14 year period. The average level of windfall was relatively low at 2.8 dwellings per annum. Permitted development rights, introduced in April 2014, mean that planning permission is not required to convert agricultural buildings to dwellings. In addition, the NPPF classes previously developed land as an exception to inappropriate development in the Green Belt in certain cases, such as where it will not cause substantial harm to the openness of the Green Belt<sup>4</sup>. Both of these factors have given rise to further opportunity for this type of development.

<sup>4</sup> Paragraph 145, July 2018, National Planning Policy Framework

The average level of windfall from the time permitted development rights were introduced in 2014 was 4 dwellings per annum. As this is expected to continue, future windfall was projected in line with this - 4 dwellings per annum across the plan period.

- **Business (Offices)** - Permitted development rights, allowing the conversion of offices to dwellings without the need for planning permission, were introduced in 2013. This resulted in large increases in windfall from former office uses - which averaged 103.7 dwellings per annum since. An article 4 direction was introduced in October 2020 to remove these permitted development rights in four of the key employment sites in the borough. This is expected to have an impact on windfall from office use in future years. The 2019 HELAA, took this into account and made a higher allowance in the first years in which windfall supply is included – with supply from former office use forecast at 103 dwellings in 2023/24 (in line with the historic annual rate seen since the introduction of permitted development rights), before dropping off slightly in 2024/25 (estimated at half this historic rate of 52 dwellings), then from 2025/26 to the end of the plan period windfall from office use has been forecast in line with the level of windfall from planning applications only since 2013/14 (i.e. excluding prior notifications), which averaged 21 dwellings per annum. Section 2 considers the introduction of the new Permitted Development rights in August 2020, with a re-assessment being made on the supply from former office uses.

- 1.7 Another fairly consistent source of supply was residential garden land. However, as the National Planning Policy Framework states that: “plans should consider the case for setting out policies to resist inappropriate development of residential gardens”<sup>5</sup> this former land use was not included in the windfall allowance.
- 1.8 There were also a number of other former land uses<sup>6</sup> which were less consistent windfall sources but previously showed an increase towards the end of the plan period. As the HELAA is only able to assess sites which have been promoted at a point in time, it is likely that towards the end of the plan period windfall will be higher as sites not previously considered for development come forward - as was observed in the last District Plan period. Therefore an additional allowance was also made for the last 5 years of the plan period for these sources of windfall supply. For these other land uses, the annual average of 88 dwellings per year has been forecast in the last five years of the plan period.
- 1.9 Following this approach the HELAA 2019 made a total allowance of 1,304 dwellings across 13 years of the plan period<sup>7</sup>:

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<sup>5</sup> Paragraph 70, July 2018, National Planning Policy Framework

<sup>6</sup> Including: community facilities, retail, business uses – excluding offices, education, residential institutions, utilities, leisure, parking and garages, public houses, warehousing and distribution and motor trade.

<sup>7</sup> A windfall allowance is not made for the first three years of the plan period as windfall sites that come forward in this time are expected to already be known about and factored into the supply.

## Plan Period – Windfall Forecast (HELAA 2019)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total
Residential redevelopment	0	0	0	26	26	26	26	26	26	26	26	26	26	26	26	26	338
Business - Offices	0	0	0	103	52	21	21	21	21	21	21	21	21	21	21	21	386
Agriculture and Rural Buildings	0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	52
Other Uses <sup>6</sup>	0	0	0	0	0	0	0	0	0	0	88	88	88	88	88	88	528
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>	<b>82</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>1304</b>

### 2.0 Updated Windfall Assessment 2020

- 2.1 In January 2020 Cabinet Planning and Parking Panel recommended to Cabinet that the windfall allowance should be increased to 2,249 dwellings over the 13 years, reflecting the historic average of 173 dwellings per year. This increase of +846 dwellings above that outlined in the HELAA 2019 was justified by anticipated changes to the planning system which were expected to see increased permitted development rights as well as potential additional windfall that could come forward on urban sites to reflect ongoing pre-application discussions. This proposed increase to the windfall allowance was consulted upon in the 'Consultation on proposed changes to the submitted Draft Local Plan 2016'.
- 2.2 Following consideration of the representations to the consultation, a further review of likely windfall rates was undertaken and reported to Members at Cabinet Planning and Parking Panel in November 2020. This resulted in a downward adjustment from 2,249 dwellings to 1,402.
- 2.3 This was as a consequence of the additional dwelling capacity (from ongoing advanced pre-application discussions indicating the potential for higher dwelling numbers than set out in the HELAA 2019) being added to specific sites identified for allocation rather than included within the windfall allowance.
- 2.4 A review of the likely impact of the introduction of the new permitted development rights was undertaken, with these changes likely to result in some additional windfall above what was forecast in the HELAA 2019. It should also be noted that the Council is currently proposing Article 4 directions which will remove these Permitted Development rights in some instances and areas including:
- Demolition of commercial buildings and replacement with blocks of flats/single dwelling houses in four strategic employment sites (Welwyn Garden City, Hatfield Business Park, Beaconsfield and Great North Road and Sopers Road, Cuffley)
  - Self-contained flats being constructed on top of existing blocks of flats in parts of Hatfield considered as part of the Hatfield Heritage Assessment Area.

However, these Article 4 directions would not be expected to come into place until towards the end of 2021.

- 2.4 Without historic data on the level of supply provided through these sources it is difficult to predict how much windfall they may provide going forward – particularly in the case of upwards extensions – and consequently no additional allowance has been made for this new Permitted Development right. In terms of demolition of vacant buildings (B1 use class) and replacement with flats, the PD rights introduced in 2013 for change of use from office-to-residential, may provide some indication of the level of additional windfall that could result from the introduction of this new PD right. Whilst some of this supply may have already come forward via existing permitted development for change of use, there may be sites which were previously not available, or which were not interested in or suitable for change of use but may come forward as demolition and rebuild, resulting in some uplift prior to the Article 4 being implemented.
- 2.5 In the 12 months following the introduction of permitted development rights for change of use from office to residential in 2013, prior notifications received amounted to 98 dwellings. A further uplift in line with this amount could be considered reasonable to account for this new permitted development right prior to the introduction of any Article 4 direction. As applications are usually valid for three years, and usually take between 2 - 3 years to complete, this windfall would be expected early on in years 2024/25 and 2025/26 as these applications progress to completion. This would result in an increase in windfall supply from former offices to 484 from 386 previously outlined in the HELAA 2019.
- 2.6 **Total projected windfall for the 13 year period 2023/24 – 2035/36 would equate to 1,402 dwellings.** This averages 108 dwellings per year and is considered to be a more cautious forecast, below both the annual historic average of 173 dwellings and the historic median of 132 dwellings. Whilst the total allowance is 87 dwellings higher than the 1,315 dwellings outlined in the submitted plan, this allowance was made over 12 years, so the revised per annum figure is actually just below at 108 dwellings compared with 110 dwellings in the submitted plan.

#### Plan Period Windfall Allowance – 2020 Update

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total
Residential redevelopment	0	0	0	26	26	26	26	26	26	26	26	26	26	26	26	26	338
Business - Offices	0	0	0	103	101	70	21	21	21	21	21	21	21	21	21	21	484
Agriculture and Rural Buildings	0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	52
Other Uses	0	0	0	0	0	0	0	0	0	0	88	88	88	88	88	88	528
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>	<b>131</b>	<b>100</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>1402</b>

#### Windfall Supply for Employment Land

- 3.0 This increase in the projected residential windfall allowance arising from former office use has also been reflected in terms of loss of the borough's employment land supply. The HELAA 2019 looked at a sample of office-to-residential conversions granted via

permitted development rights, for which the median dwelling size was 60m<sup>2</sup> (calculated using the gross internal area and the number of dwellings proposed). Applying this figure to the increased projected windfall of 484 dwellings across the 13 year period (2023/24-2035/36) the projected loss of office floor space is expected to be 29,040m<sup>2</sup> (previously projected at a loss of 23,160 m<sup>2</sup> in the 2019 HELAA).