

# Windfall Study

An assessment of the case for including windfall in the five year housing land supply (1 April 2019)

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## 1. Introduction

### 1.1. Context

- 1.1.1. This paper has been produced to examine the past trends and potential for future delivery of housing on windfall sites across Hinckley and Bosworth Borough.
- 1.1.2. The study uses net housing completion figures from 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2019. The assessment excludes sites within the Site Allocations and Development Management Policies (SADMP) Development Plan Document (2016) and the Core Strategy (2009).
- 1.1.3. For the purpose of this report windfall sites are sites that deliver less than 10 net units.
- 1.1.4. Large sites have not been included within this study as they are listed separately on the Housing Trajectory.
- 1.1.5. This paper supports a windfall allowance for residential development to be included within the five year supply of deliverable housing land.

### 1.2. Policy

- 1.2.1. Windfall is defined in the National Planning Policy Framework (NPPF), Annex 2: Glossary as:  
‘Sites not specifically identified in the development plan.’
- 1.2.2. The NPPF includes policies aimed at ‘Delivering a sufficient supply of homes’ (NPPF, Part 5). Paragraph 67 of the NPPF states that planning policies should identify a supply of specific, deliverable sites for years one to five of the plan period with an appropriate buffer (as set out in paragraph 73).
- 1.2.3. The NPPF and the Planning Practice Guidance (PPG) state that an allowance can be made for windfall sites as part of the anticipated supply if there is compelling evidence that windfall sites will provide a reliable source of supply (NPPF, Paragraph 70).
- 1.2.4. The PPG requires ongoing monitoring of whether the windfall allowance (where justified) is coming forward as expected, or may need to be adjusted (Paragraph 26). The Council will publish information on the actual supply of windfall sites on an annual basis alongside the Residential Land Availability Statement.
- 1.2.5. Although not relevant to the assessment of windfall sites in Hinckley and Bosworth Borough, it is important to make reference to the Strategic Housing and Economic Land Availability Assessment (SHELAA) in this paper. The SHELAA is produced annually to inform the emerging Local Plan Review. It identifies land and assesses the availability, suitability, and achievability of that land as a potential housing or employment site which determines whether such sites are deliverable or developable. Sites that are identified as ‘developable’ in the SHELAA may be allocated through the Local Plan process and do not necessarily represent potential windfall sites, as they may not come forward, other than through the Local Plan. Therefore, although the NPPF states that any allowance for windfall should have regard to the SHELAA, the SHELAA is not a source to which the Council will look to when assessing potential supply of windfall sites in Hinckley and Bosworth Borough.

## 2. Methodology

- 2.1. This report will firstly analyse past windfall completion data to address if there is a justification to include an allowance for windfall (as set out in paragraph 70 of the NPPF) in the Council’s

development trajectory. An analysis of historic trends and future impacts will then be undertaken to ascertain the level of any allowance.

2.2. This paper will be comprised of the following sections:

- 3. Past trends
  - a) Annual completions
  - b) Sources of windfall
  - c) Windfall sites
- 4. Distribution of windfall across the five year supply period
- 5. Future impacts
- 6. Main Findings and Recommendations

### 3. Past Trends

#### 3.1. Annual Completions

3.1.1. Monitoring records show that since 1<sup>st</sup> April 2005 windfall has consistently delivered a proportion of Hinckley and Bosworth's housing completions.

3.1.2. Table 1 presents the total number of completions between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2019. This table shows the break down of completions into windfall and allocated small sites per year.

3.1.3. The data in Table 1 provides compelling evidence for the inclusion of a windfall allowance in Hinckley and Bosworth's development trajectory. As shown in Table 1, on average Hinckley and Bosworth Borough small sites windfall accounts for 67 of the overall completions a year. Between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2019, 71% of the completed small sites in the borough were on windfall land.

Table 1: Windfall Sites as a proportion of small site completions in Hinckley and Bosworth between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2019

<b>Year (1<sup>st</sup> April – 31<sup>st</sup> March)</b>	<b>Total Completions</b>	<b>Small Site Completions</b>	<b>Windfall Site Completions</b>	<b>Windfall as a proportion of small site Completions</b>
2008 – 2009	474	100	63	63%
2009 – 2010	353	83	50	60%
2010 – 2011	227	47	31	66%
2011 – 2012	373	56	43	77%
2012 – 2013	225	64	48	75%
2013 – 2014	480	87	52	60%
2014 - 2015	752	97	72	74%
2015 – 2016	593	61	37	62%
2016 – 2017	569	103	82	80%
2017 – 2018	423	136	96	71%
2018 - 2019	464	169	165	98%
<b>Totals</b>	<b>5284</b>	<b>828</b>	<b>733</b>	
<b>Annual Average</b>	<b>480</b>	<b>75</b>	<b>67</b>	<b>71%</b>

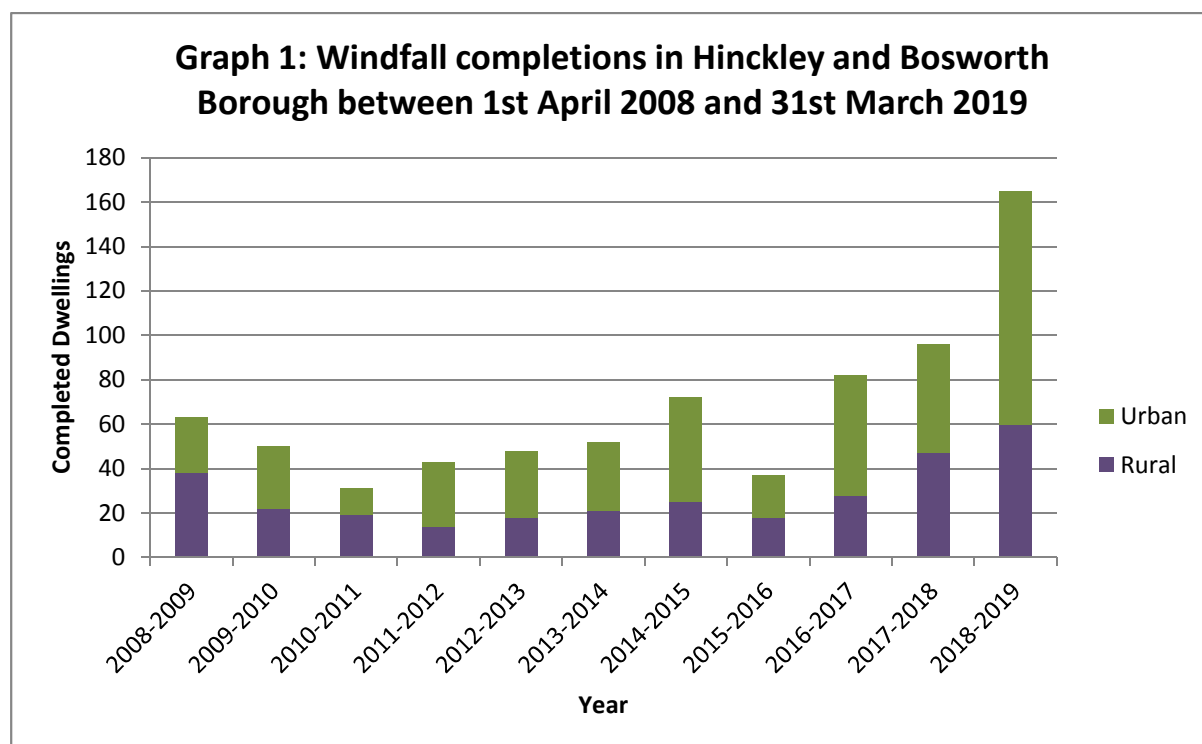
### 3.2. Sources of Windfall

3.2.1. Table 2 provides a breakdown of the proportion of historic windfall units that were delivered within the urban and rural areas within Hinckley and Bosworth Borough. Graph 1 shows the breakdown of the urban and rural split per year.

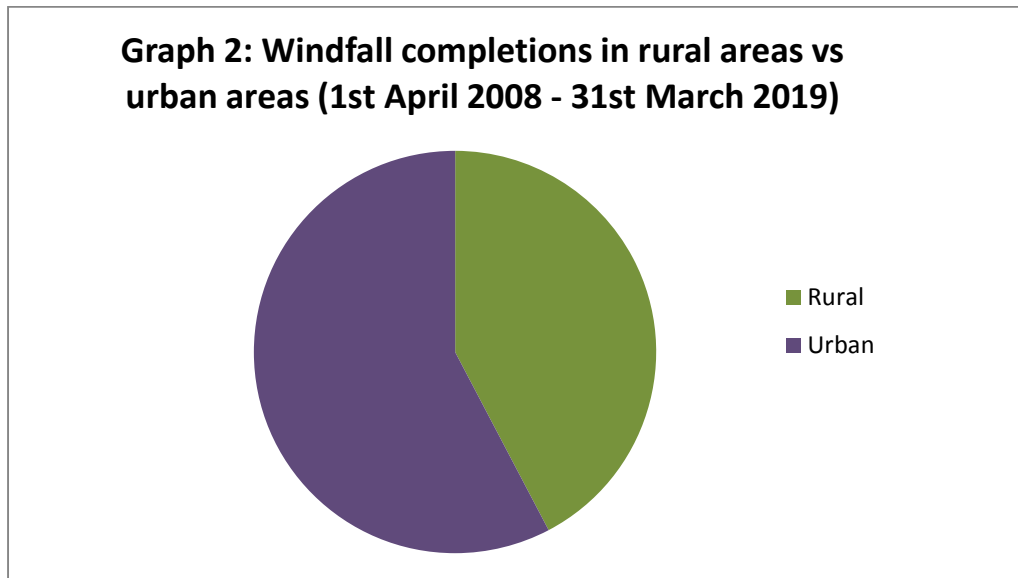
3.2.2. Urban windfall sites are defined as any site within Hinckley, Burbage, Earl Shilton and Barwell. Any site in any other settlement within the borough is defined as a rural site.

**Table 2: Windfall delivered in the urban and rural areas in Hinckley and Bosworth Borough between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2019**

Year (1 <sup>st</sup> April -31 <sup>st</sup> March)	Urban	Rural
2008 – 2009	25	38
2009 – 2010	28	22
2010 – 2011	12	19
2011 – 2012	29	14
2012 – 2013	30	18
2013 – 2014	31	21
2014 - 2015	47	25
2015 – 2016	19	18
2016 – 2017	54	28
2017 – 2018	49	47
2018 - 2019	105	60
<b>Total Windfall</b>	<b>429</b>	<b>310</b>
<b>Percentage</b>	<b>58%</b>	<b>42%</b>



3.2.3. Even though a large majority of the borough is rural, it is expected that there would be more permissions granted in the urban area. However, Graphs 1 and 2 shows that the completed windfall sites are split with only a partial tilt towards the urban area.

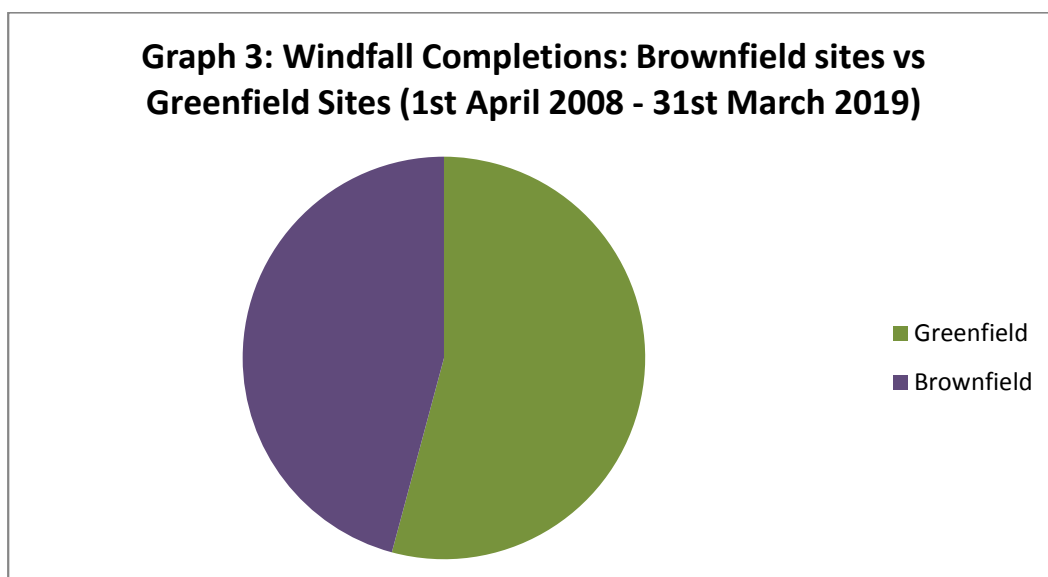


3.2.4. When analysing Graphs 1 and 2, it is clear that windfall sites come forward in both the urban and rural areas. The data presented above shows that windfall has consistently been delivered over the past decade with a marked increase in delivery since 1<sup>st</sup> April 2016.

Table 3: Windfall delivered on greenfield and brownfield sites in Hinckley and Bosworth Borough between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2019

Year (1 <sup>st</sup> April -31 <sup>st</sup> March)	Greenfield	Brownfield
2008 – 2019	397	342
Percentage	54%	46%

3.2.5.



3.2.6. Table 3 and Graph 3 shows the windfall completions from 1<sup>st</sup> April 2008 – 31<sup>st</sup> March 2019 split into greenfield and brownfield Sites. There have been more greenfield completions over the 10 year period however the data shows that both sources have been consistently delivered since 1<sup>st</sup> April 2008.

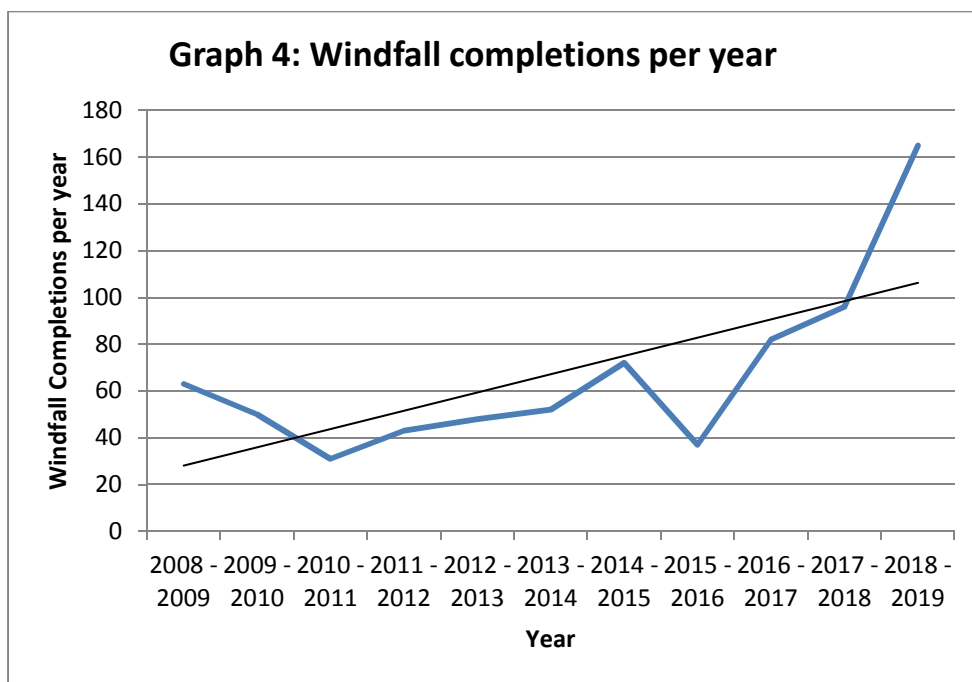
### 3.3. Windfall sites

3.3.1. The windfall completions have been used for this study. Therefore the average completions per year can be projected forward into the Council's development trajectory and more specifically the five year housing land supply. However, as years one to three still have extant permissions that are individually listed on the Housing Trajectory the windfall figure will not be included in years one, two or three to avoid any issue or doubt over the double counting of sites.

Table 4: Windfall Sites as a proportion of total completions in Hinckley and Bosworth Borough between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2019

Year (1 <sup>st</sup> April – 31 <sup>st</sup> March)	Total Completions	Windfall Site Completions	Windfall as a proportion of Total Completions
2008 – 2009	474	63	13%
2009 – 2010	353	50	14%
2010 – 2011	227	31	14%
2011 – 2012	373	43	12%
2012 – 2013	225	48	21%
2013 – 2014	480	52	11%
2014 - 2015	752	72	10%
2015 – 2016	593	37	6%
2016 – 2017	569	82	14%
2017 – 2018	423	96	23%
2018 - 2019	464	165	36%
<b>Totals</b>	<b>5284</b>	<b>733</b>	
<b>Annual Average</b>	<b>480</b>	<b>67</b>	<b>16%</b>

3.3.2. In terms of annual housing completion figures, Table 4 shows that windfall site completions account for an average of 16% of the Borough's total annual completions.



- 3.3.3. Graph 4 shows that although the number of windfall completions on small sites does fluctuate, the windfall completions have an increasing trend from 2008 until 2019.
- 3.3.4. As shown in Table 4, on average 67 dwellings a year have been provided on small windfall sites of 9 dwellings or less over the last decade. If the average indicated by past trends was applied from the last two years of the five year housing land supply this would equate to 134 dwellings being included within the five year housing land supply and a further 67 dwellings being projected each year thereafter for the remainder of the Plan period.
- 3.3.5. The trend line of Graph 4 shows the increase in windfall sites completions between 2008 and 2019. The annual average of windfall delivery is 67 dwellings. There was an anomalous figure in 2015 – 2016 which was due to the fact that the Site Allocations and Development Management DPD (2016) included the residual housing requirement as of September 2015. These figures included sites which has already gained planning permission and therefore could not be counted as windfall sites. Except for the 2015/16 anomalous result, since 2010 the amount of windfall sites completed per year has increased. The number of dwellings suggested to be completed in 2019-2020 onwards is therefore significantly less than what the past trends suggest would be delivered over the five year supply.
- 3.3.6. It is on this basis, having regard to this data that this paper concluded that not only is a windfall allowance appropriate for small sites of 9 dwellings and under, but that it would be misleading to not include provision for additional windfall. It is considered that the windfall figure derived from past trends is a conservative estimate, in particular because the trend data includes a period of economic downturn. Without a windfall allowance, the five year land supply figure would not be wholly representative of the Council’s small site housing delivery.



#### 4. Distribution of windfall across the five year supply

- 4.1. Small site planning permissions will expire. As this study is based on the completions per year and not the permissions granted a non-implementation rate does not need to be applied.
- 4.2. Due to the windfall supply being based on yearly completions the study will be reviewed every year so that the most up to date figure is presented. This means that the trend can also be monitored and the supply can be adjusted accordingly.
- 4.3. Small site commitments for years one, two and three of the five year land supply will still be listed separately as the permissions are extant. The Council's housing trajectory discounts sites or pushes their delivery back where contact with the developer indicates that a permission may not come forward or there is a known practical barrier to delivery. The permissions projected into years one, two and three therefore are dealt with on a case by case basis. A planning permission expiry rate is also applied to planning permissions that have not yet commenced.
- 4.4. The trend line of the graph 4 shows an increase of windfall sites from 2008 until 2019. Table 5 shows the percentage increase of sites compared to the previous year.

Table 5: Percentage Increase of Windfall Sites in Hinckley and Bosworth between 1<sup>st</sup> April 2011 and 31<sup>st</sup> March 2019

Year	Windfall Completions	Percentage increase from previous year	Percentage increase from previous year (excluding 2015-2016)
2008 – 2009	63		
2009 – 2010	50	-11%	-11%
2010 – 2011	31	-38%	-38%
2011 – 2012	43	39%	39%
2012 – 2013	48	12%	12%
2013 – 2014	52	8%	8%
2014 - 2015	72	38%	38%
2015 - 2016	37	- 49%	
2016 – 2017	82	122%	14%
2017 – 2018	96	17%	17%
2018 - 2019	165	71%	66%
<b>Average Percentage</b>		21%	29%

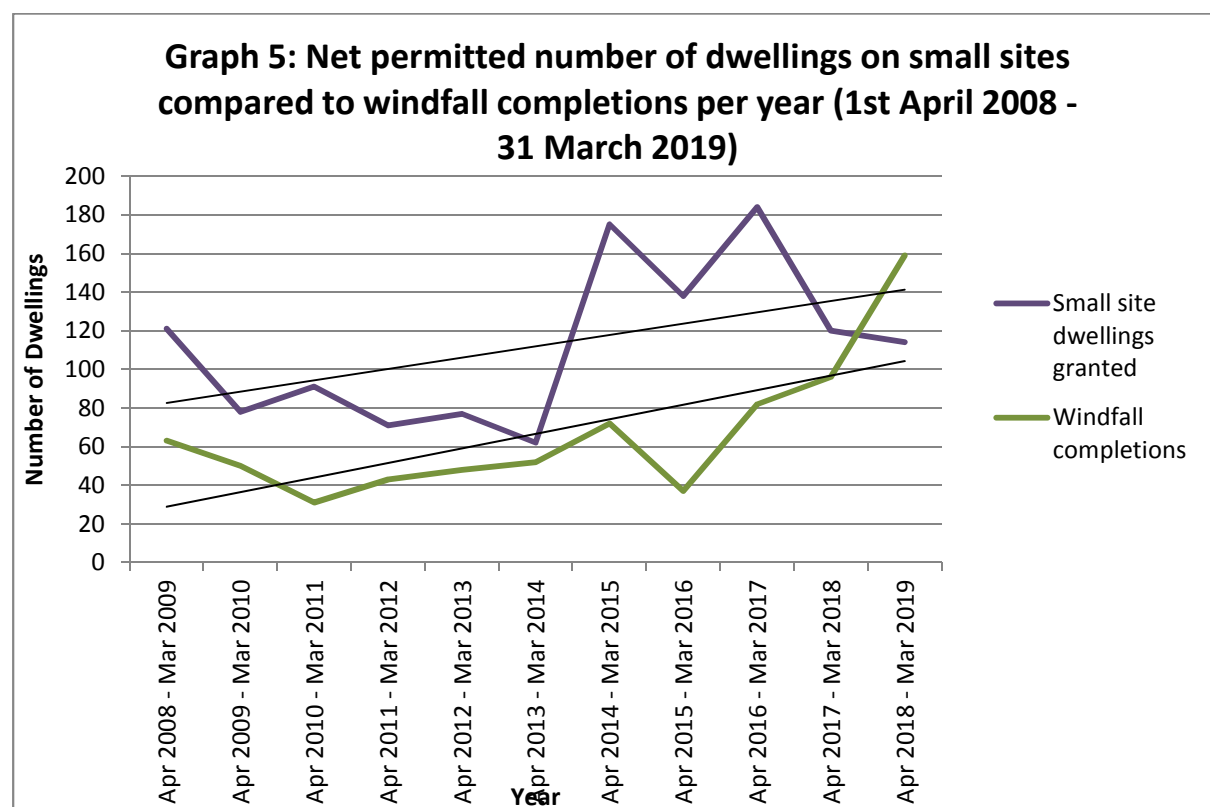
- 4.5. Table 5 shows that windfall sites have increased annually by a minimum of 8% and a maximum of 66%. With the exception of 2015-2016 the windfall completion figure has been above the average of 67 dwellings per year since 2014-2015. Due to this it is considered that a percentage increase could be added to the provision of windfall that is projected into the trajectory.
- 4.6. However, even though this study is based on windfall completions the permissions granted per year also need to be taken into account. Table 6 shows the number of small site dwellings granted per year and the total windfall completions per year. It should be noted

that these figures do not directly correlate as a dwellings granted in one year are not necessarily built in the same year.

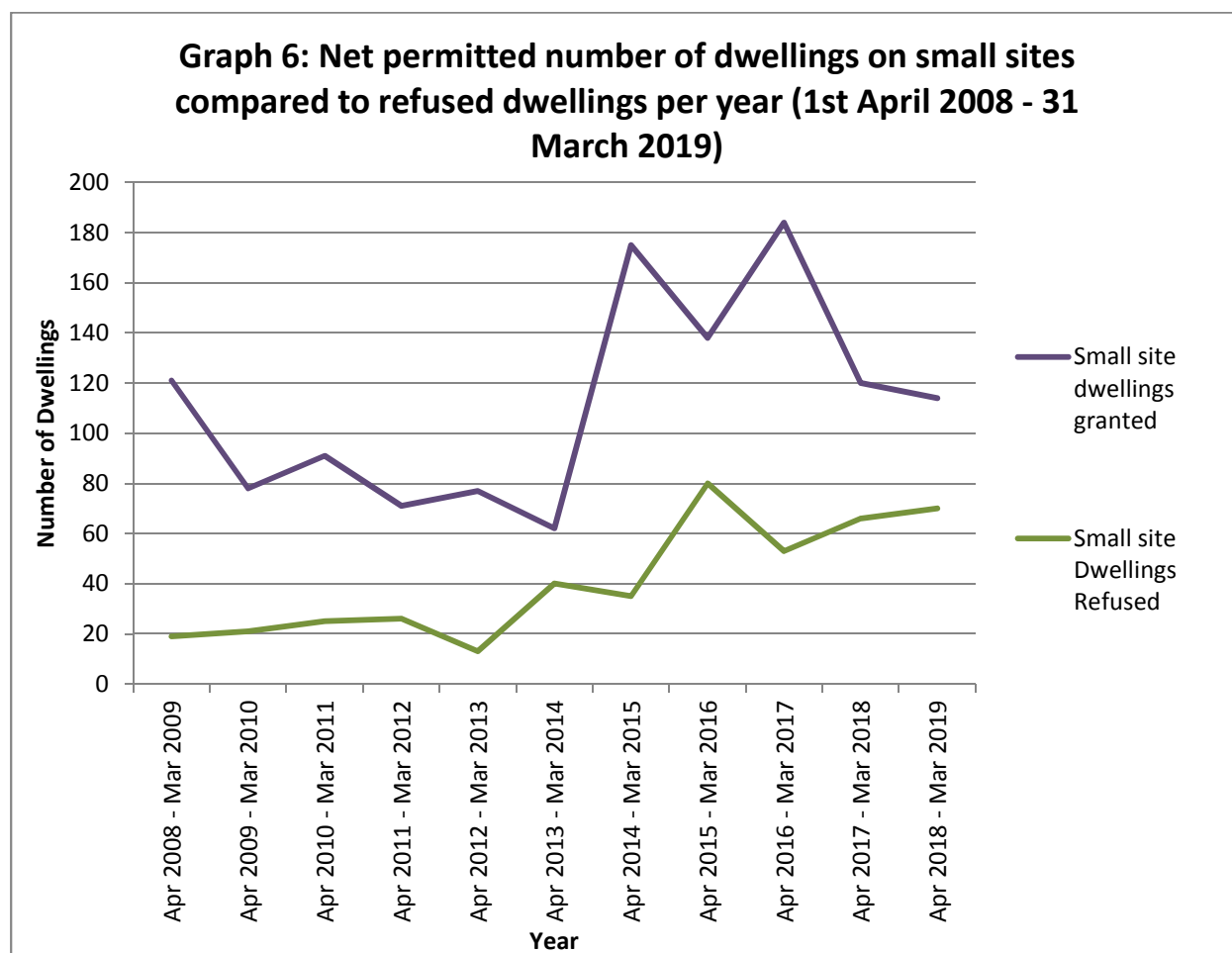
**Table 6: Net number of small dwellings permitted and refused compared to windfall completions per annum (1<sup>st</sup> April 2008 – 31 March 2019)**

Year	Small site dwellings granted	Small site dwellings refused	Windfall completions
Apr 2008 - Mar 2009	121	19	63
Apr 2009 - Mar 2010	78	21	50
Apr 2010 - Mar 2011	91	25	31
Apr 2011 - Mar 2012	71	26	43
Apr 2012 - Mar 2013	77	13	48
Apr 2013 - Mar 2014	62	40	52
Apr 2014 - Mar 2015	175	35	72
Apr 2015 - Mar 2016	138	80	37
Apr 2016 - Mar 2017	184	53	82
Apr 2017 - Mar 2018	120	66	96
Apr 2018 - Mar 2019	114	70	159

4.7. Graph 5 also shows the data presented in Table 6. The data shows that there has been a decrease in sites permitted since April 2017. Even though completions that could come forward in the future are not based on just one year of permissions the downward trend cannot be ignored.



- 4.8. As this data has been collected over a ten year period it is considered that the average completions per year has had peaks and troughs as has the permissions granted per year. Even though the permissions granted is on a slightly downwards trend in the last 2 years the overall trend of permissions granted has a positive gradient.



- 4.9. Graph 6 shows that there is a variety in the dwellings permitted and refused throughout the years but the yearly figures do complement each other. Over the 10 year period the number of dwellings refused per annum has increased. Since 2015/16 it has increased significantly. In 2016 the Site Allocations and Development Management Policies DPD was adopted which gave the Council more up to date policies on which to assess applications.
- 4.10. Taking the comparison of the permissions granted, the windfall completions and the dwellings refused into account it is considered that a percentage increase should not be added to the average windfall completion figure per year that is to be projected into year 4 and onwards of the housing trajectory. Therefore the projected annual windfall completion figure is **67 dwellings**.
- 4.11. As the data has been analysed over a 10 year period past economic trends and changes of policy have been analysed through this. As no percentage increase has been added to the average figure it is considered that this figure takes into account any future impacts (discussed in more detail in the next section).

## 5. Future Impacts

- 5.1. This section provides a brief analysis of other factors influencing the windfall calculations made in this paper.
- 5.2. The time period over which past windfall trends have been assessed includes a significant economic downturn. This is shown in the analysis of past trends. Windfall completions are shown to have increased steadily since 2011/12. It can be concluded that the yearly averages calculated within this windfall paper are conservative estimations and are representative of an economic cycle; therefore no adjustments are necessary to allow for differing market conditions.
- 5.3. There have been significant changes in planning policy over the period for which windfall allowance has been assessed. Flexibility provided by policies in the NPPF has encouraged windfall through a variety of sources. In particular policies regarding the re-use of redundant buildings. The NPPF (2019) still provides flexibility through its policies. Alongside this permitted development Right changes (from 2013) regarding prior approval change of uses encourage changes of use from a variety of uses to residential. It is considered that these changes have led to the annual increase in windfall completions.
- 5.4. There is also the rural versus urban development fact. This was mainly addressed in section 3. As Hinckley and Bosworth Borough has a lot of rural areas alongside the main urban area to the south it is considered that this factor would not affect the annual windfall completions.

## 6. Main Findings and Recommendations

- 6.1. This paper has presented a compelling case for the inclusion of a windfall allowance for sites of 9 dwellings or less within Hinckley and Bosworth's development trajectory. This section summarises the key findings and recommendations of this paper.

### Case for windfall allowance

- 6.2. A thorough analysis of completion data for the last ten years has shown that windfall makes a consistent contribution towards total completions and small site completions in Hinckley and Bosworth Borough; approximately 14% of the total completions were small windfall sites and approximately 71% of small site completions were windfall. The evidence presented in this report provides a strong case for the inclusion of windfall within the Council's development trajectory and more specifically the five year housing land supply.

### Sources of windfall

- 6.3. A brief analysis was undertaken to understand any trends in regards to where in the borough the windfall sites were permitted. This analysis showed that windfall developments were evenly distributed between the urban and rural area. Overall it was concluded that windfall development has been consistently delivered across the borough over the past decade.

### Windfall Sites and the Trajectory

- 6.4. There are permissions within the last three years that have not been implemented yet but have not expired. These permissions will be individually projected into the first three years of the five year land supply trajectory. These permissions have their own lapse rate.
- 6.5. Planning permissions will expire. As this study is based on the completions per year and not the permissions granted a planning permission expiry rate does not need to be applied.
- 6.6. From 2011, windfall sites have increased annually by a minimum of 8% and a maximum of 66%. However, in the last two year permissions granted have had a downward trend. Due to this it is considered that a percentage increase should not be added to the average annual windfall completions figure that is to be projected into year 4 and onwards of the housing trajectory. Therefore the projected annual windfall completion figure is **67 dwellings per year**.
- 6.7. As the data has been analysed over a 10 year period past economic trends and changes of policy have been analysed through this. As no percentage increase has been added to the average figure it is considered that this figure takes into account any future impacts.

## 7. Conclusion

- 7.1. The above analysis demonstrates a compelling case for the inclusion of a windfall allowance in Hinckley and Bosworth Borough's housing land supply. Windfall sites have historically made a consistent contribution to the overall housing delivery in the area and are likely to continue to do so.
- 7.2. This consistent supply from small windfall sites is clearly apparent. Not including an allowance within the housing land supply for windfall would under-estimate the delivery of housing in the area.