



Housing Windfall Projections Background Paper

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1.0 Introduction

- 1.1 The purpose of this windfall paper is to provide an up-to-date and robust assessment of the Borough's windfall allowance. It takes into account advice on windfall development contained in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). This paper provides evidence and justification for the inclusion of a windfall allowance as part of the Council's housing projections. This will support the production of the Fareham Local Plan 2037.
- 1.2 The current National Planning Policy Framework (NPPF) published in February 2019 defines windfall sites as:

“Sites not specifically identified in the development plan.”
- 1.3 NPPF paragraph 70 states that:

“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. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends.”
- 1.4 In accordance with paragraph 70 of the current NPPF's requirement for an evidence-based approach, the anticipated windfall allowance is based on past trends, with the application of reasonable assumptions to ensure the resulting figures are appropriate, justified and not overly optimistic.
- 1.5 This windfall analysis supersedes the windfall evidence base used to support the Local Plan Part 2: Development Sites and Policies (2015) and the Windfall Background Paper published to support the Draft Local Plan in October 2017. This 2020 paper includes analysis of completions since 2006/07 to take account of the rolling nature of windfall projections and the Council's approach of excluding small windfall development prior to year 3 of the plan period and large windfall development prior to year 6.

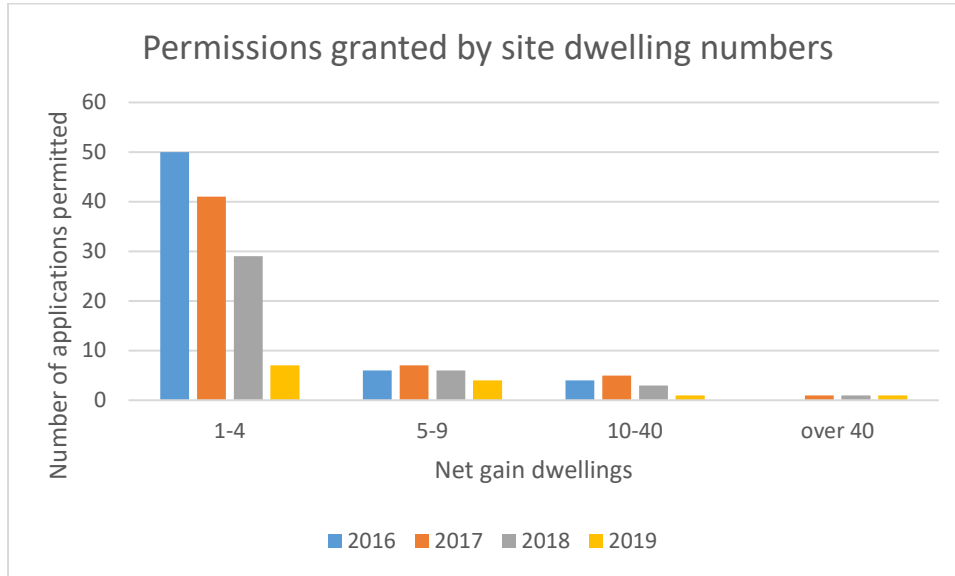
2.0 The Local Plan

- 2.1 Fareham Borough Council's current adopted Local Plan comprises of the following three parts;
Local Plan Part 1: Core Strategy (August 2011);
Local Plan Part 2: Development Sites and Policies (June 2015); and
Local Plan Part 3: The Welborne Plan (June 2015)
- 2.2 Local Plan Part 1 sets out the vision, objectives and overall development strategy for the Borough up until 2026, whilst Local Plan Part 2 sets out the approach to managing and delivering development through development management policies. Local Plan Part 3, the Welborne Plan, is a specific plan which sets out how Welborne should be developed over the period until 2036.
- 2.3 The adopted Local Plan has a number of policies which are permissive towards supporting possible windfall development in the Borough including:
Policy CS2 Housing Provision (Local Plan Part 1)
Policy DSP7: Affordable Housing Exception Sites (Local Plan Part 2)
- 2.4 The Fareham Local Plan 2037 will replace Local Plan Parts 1 and 2 and will continue to support the change of use and urban infill development where appropriate, including through the following policies:
- 2.5 Policy HP6: Exceptions Sites
- Policy HP6 replaces Policy DSP7 of the Local Plan Part 2, allowing for the delivery of 100% affordable housing on small scale sites (no more than 10 units) outside the existing urban area boundaries.
- 2.6 Policy HP2: New Small-Scale Development Outside Defined Urban Areas
- Policy HP2 seeks to maintain the supply of small sites (consisting of no more than 4 dwellings) in the Borough through the delivery of sites which are well related to the urban area boundaries and are reasonably located in relation to existing centres.

3.0 Methodology

- 3.1 Windfall development comprise sites which have become available but were not anticipated by the authority when gathering evidence for the local plan.
- 3.2 As part of the local plan evidence base, the Council undertakes a strategic housing and employment land availability assessment (SHELAA) to identify the sites within the Borough which are suitable, available and achievable for development.
- 3.3 Although the Council seeks to identify all sites that have the potential to provide housing in the Borough during the plan period, through the SHELAA, this is only able to provide a snapshot at the point of assessment. There will always be sites which cannot be identified at that point but which subsequently become suitable, available and achievable later in the plan period. Therefore it is appropriate to also consider that unidentified larger sites are likely to come forward over time.
- 3.4 In addition, the SHELAA only considers sites which are capable of delivering 5 or more dwellings but the Council recognises the important housing delivery contribution made by sites delivering less than 5 dwellings to the Borough's overall housing supply. Therefore it would be unrealistic to exclude these small sites from the consideration of overall housing supply, just as it would be inappropriate to ignore the potential supply contribution from additional housing sites of 5 or more homes that may come forward over time.
- 3.5 Historically, development on residential garden ground was not included in windfall delivery, however revisions to the NPPF no longer indicate that such exclusions should be made. Residential garden ground makes an important contribution to the Borough's housing supply and will therefore now form part of the windfall analysis.
- 3.6 The estimated rate of windfall development is based on past completion rates, using the detailed net housing completion figures provided by Hampshire County Council as part of its annual monitoring conducted on behalf of Fareham Borough Council. This includes information on the location and type of development, as well as the detailed planning application description. This paper considers the previous 13 years' data, between 2006/07 and 2018/19, however as windfall figures for the first three years (2006/07 to 2009/10) were considerably higher than those of the subsequent 10 years, they have been excluded to avoid distortion and ensure a realistic projection. This does however indicate levels of potential windfall in periods of stronger economic performance.
- 3.7 The following stages of data analysis have been undertaken to ensure that the projections are realistic:
 - Sites allocated in a local plan (adopted and draft) are excluded from the analysis;
 - Sites identified in land availability assessments as developable prior to planning application are excluded from the analysis;
 - Any sites consisting of more than 40 dwellings are excluded from the analysis to ensure that the result is not overly optimistic. This is based on analysis of previously permitted sites and their dwelling numbers (see Figure 1).

Figure 1: Permissions granted in Fareham - site dwelling numbers



3.8 The results from this analysis supersede any previous windfall delivery studies undertaken for the Council.

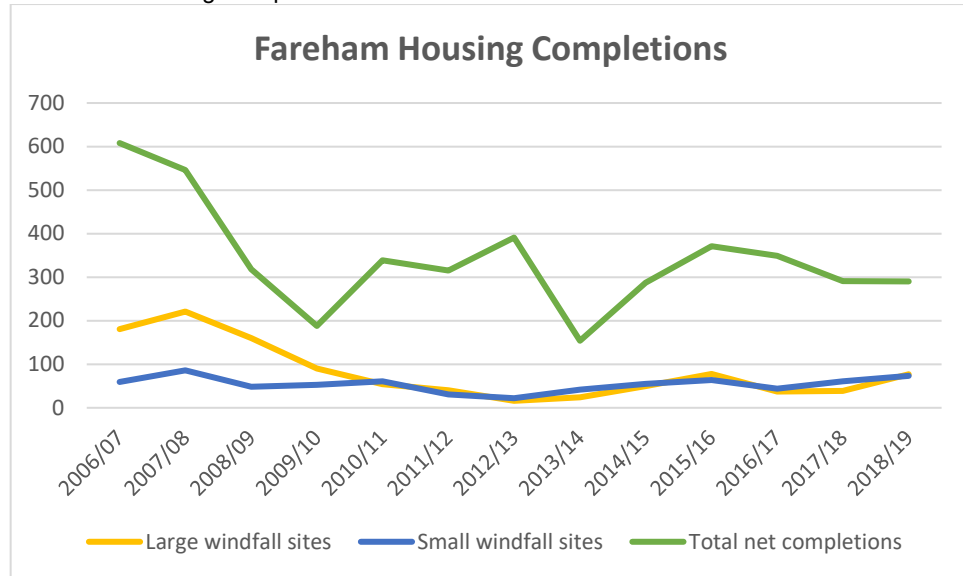
Table 1: Breakdown of past windfall delivery

Year	Small sites (1-4)	Large sites (5+)	Total Windfall
2006/07	59	181	240*
2007/08	86	221	307*
2008/09	48	160	208*
2009/10	53	90	143
2010/11	61	54	115
2011/12	31	40	71
2012/13	22	16	38
2013/14	42	24	66
2014/15	55	50	105
2015/16	64	78	142
2016/17	44	37	81
2017/18	61	39	100
2018/19	73	77	150
Total			
2009/10-2018/19	506	505	1011
2009/10-2018/19			
Annual average	51	51	

*excluded from analysis

3.9 It can be seen from table 1 that delivery from large windfall sites was significantly higher in the first 3 years of data. The notable drop in delivery after this period can likely be attributed to economic changes. To ensure that a cautious approach is taken and windfall projections are not overly optimistic, the projections have only taken account of windfall delivery since 2009/10.

Figure 2: Fareham Housing Completions



3.10 Figure 2 illustrates the drop in housing delivery in the Borough in the first 3 years' data and the consistency of windfall supply since 2009/10.

4.0 Windfall Projections

- 4.1 Based on the preceding analysis, the windfall projections for the Borough are 51 dwellings per year from small site delivery and 51 dwellings per year from large site delivery. To further ensure a cautious approach when calculating windfall projections, windfall delivery for small sites has been projected to commence from year 4 of the plan period. This is because it is assumed that prior to these dates, many of the likely housing completions will already be known through planning permissions, and as such are not therefore windfall/unexpected. As larger site delivery takes longer and to avoid double counting sites which should be identified by a land availability assessment, large windfall contributions are included from year 6 of the plan period onwards.
- 4.2 Table 2 draws upon the analysis set out in the previous sections of this report to formulate a windfall projection for the plan period of the Fareham Local Plan 2037.

Table 2: Windfall Projections

Plan Year	Small Sites	Large Sites	Total
2021/22	0	0	0
2022/23	0	0	0
2023/24	0	0	0
2024/25	51	0	51
2025/26	51	0	51
2026/27	51	51	102
2027/28	51	51	102
2028/29	51	51	102
2029/30	51	51	102
2030/31	51	51	102
2031/32	51	51	102
2032/33	51	51	102
2033/34	51	51	102
2034/35	51	51	102
2035/36	51	51	102
Total Plan Period	612	510	1122

- 4.3 This level of projected windfall delivery will be monitored regularly by the Council to ensure the overall housing delivery projections are kept up to date.

Conclusion

- 4.4 The above analysis demonstrates a compelling case for the inclusion of a windfall allowance in Fareham 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.
- 4.5 As this consistent supply is clearly apparent, if windfall allowance was not included in the housing land supply, this would lead to an under-estimate of housing delivery in the Borough.