



Powys Local Development Plan

Housing Provision 3 Windfall Allowance

**Powys County Council
September 2016**

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Executive Summary

This paper provides further clarification on the Council's position in relation to the calculation of the windfall allowance. This is in response to a discussion with the Inspector at the Exploratory Meeting on 10th May 2016.

There is no formal definition of what a windfall site is but generally it is taken to be a site which is not formally included or allocated in a development plan but which subsequently comes forward for development.

Previously, to derive the windfall allowance, data from a four year trend period was used. As part of this paper the trend period, has been extended a further five years period looking at residential windfall completions between 01/04/2006 and 01/04/2015.

Data has been used for small sites (those accommodating 4 or less units) and large sites (those accommodating 5 or more units). The data shows that in the nine year period (01/04/2006 – 31/03/2015) there were 2038 completions (on allocated sites and windfalls) in Powys of which 828 were on small sites (four or less units) and 1210 on large sites (five or more units). Of these 2038 completions 1114 residential units were completed on windfall sites representing 55% of the overall total. Of the total windfall completions 74% (828 units) were on small sites and 26% (286) on large sites.

Extending the trend period resulted in the annual windfall allowance increasing from 87 to 124 residential units. This raised the question of whether a windfall allowance of 124 is realistic and achievable and whether the historic windfall pattern is likely to continue. To respond to this an analysis of the differences in policies between the current Unitary Development Plan (2001 to 2016) and the Local Development Plan (2011 to 2026), together with how these differences are likely to influence the number of units being completed on windfall sites was carried out.

The policy analysis on the differences between the two plans found that windfall completions are not expected to continue at the same rate. Where the policy approach differed, an estimate was made on the number of units that would not be built under the LDP policy. This resulted in a discount of 14 units (to the 124) giving a final annual windfall allowance of 110 residential units.

A windfall provision of 110 units per annum is considered to be a more representative provision reflecting both the longer time frame utilised and realistic future assumptions. This revised figure has some impact upon housing provision over the LDP period and consideration of realistic build rates but it is not considered to impact significantly on the LDP Strategy.

Explanation of the Windfall Allowance for the Powys Local Development Plan (LDP)

1.0 Introduction

1.1 This paper provides further clarification on the Council's position in relation to the windfall allowance as outlined in the Focussed Changes (FC) to the second Deposit Draft Local Development Plan (LDP) (examination document LDP18). Following submission of the Plan the Inspector requested further explanation regarding the calculation of the windfall allowance. At the Exploratory Meeting on 10th May 2016, following discussion between the Inspector and the Council, it was agreed that in reviewing the windfall allowance the evidence base for the windfall allowance should investigate an alternative longer time frame than the four years used in the Focussed Changes Schedule.

What is a windfall?

1.2 Windfall sites are sites which are not included as allocations as part of the housing land supply, but which subsequently become available for housing development. They are sites that were not formally included in the development plan. Whilst therefore, windfalls are not planned, they are an expected type of development and, as such, contribute towards housing provision in Powys.

1.3 Windfall sites can come forward on both small (four or less units) and large (five or more units) sites. Examples of such development include conversions to dwelling units of redundant farm buildings or a hotel or nursing home to flats or apartments. It includes infill sites within a village or town within the settlement development limits (not on allocated sites) and also individual, sometimes isolated dwelling units that have been given planning permission to meet a specific local need such as agriculture or to meet an affordable housing requirement.

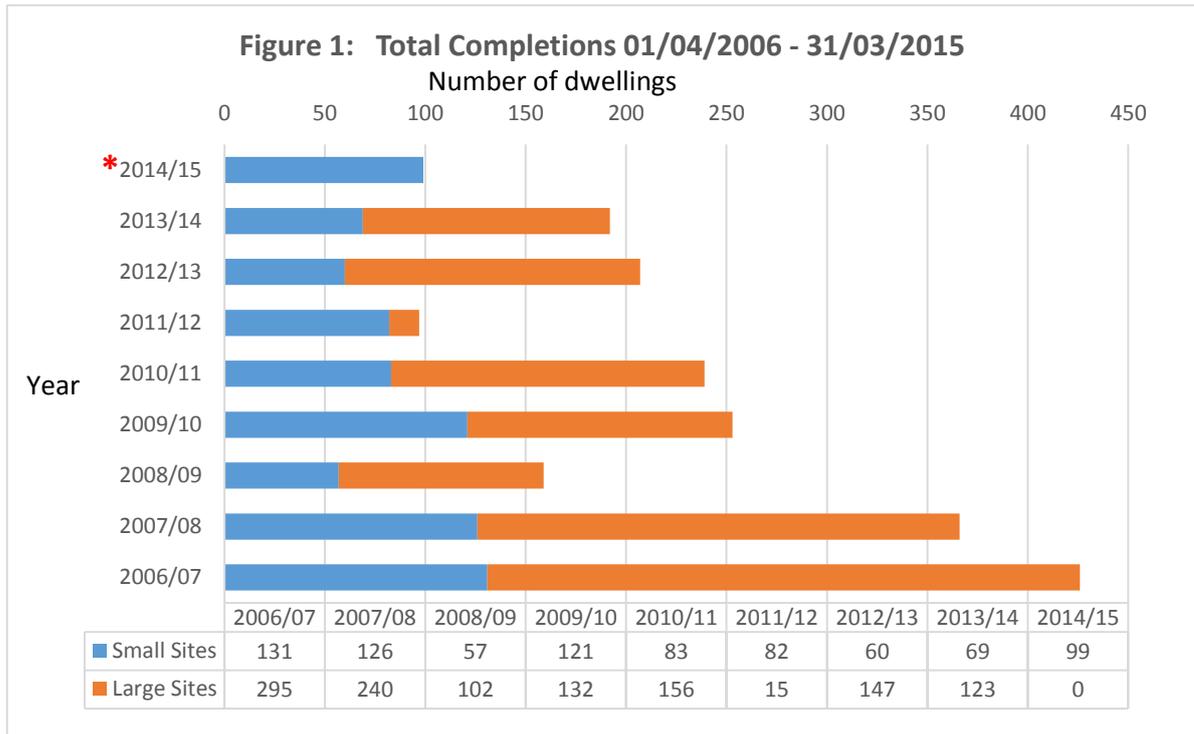
1.4 For the purposes of projecting future windfall sites that may be expected to come forward in the remaining period of the LDP, 01/04/2015 – 31/03/2026, an analysis of data has been undertaken looking at the number of housing units developed that were not allocated for housing at the time the planning application was submitted in either the Powys Unitary Development Plan or the preceding Montgomeryshire, Radnorshire and Brecknockshire Local Plans. This analysis was carried out for the period 01/04/2006 to 31/03/2015, a period of nine years.

2.0 Monitoring Completions

2.1 A new detailed monitoring system (named - PCC Small Sites Housing Monitoring System) of planning consents resulting in new residential dwellings was established at the start of the Powys LDP Plan period (1st April 2011). Each consent is monitored against Building Control commencement and completion notices for small sites of less than five dwelling units, or through the annual JHLAS (Joint Housing Land Availability Study) for sites of five or more. All completions of permissions granted before 1st April 2011 (the start of the Plan period) are captured by analysing Building Control completions data. Using this detailed monitoring system it has been calculated that there have been 310 completions on small sites and 285 on large sites (allocated and windfall sites) giving a total of 595 dwellings being completed, since the start of the plan period (01/04/2011 to 31/03/2015). This gives a period of four years of data, this figure differs slightly to that published in the LDP due to changes in monitoring systems, this includes the change from monitoring from 1st January- 31s December to 1st April to 31st March.

2.2 During the Exploratory Meeting held by the Planning Inspector to consider the Powys LDP, it was agreed that the Council should consider assessing data collected over a longer period. To do this the five years previous to the start of the 1st April 2011, LDP Plan period have been considered. This involved analysing data from the 1st April 2007, 1st April 2008, 1st April 2009, 1st April 2010 and the 1st April 2011 JHLA studies. For the five year period 01/04/2006 to 31/03/2011 the results showed that there were 518 completions on small sites and 925 on large sites giving a total of 1443 dwellings (on allocated and windfall sites).

2.3 Therefore, the total number of dwelling units completed in the nine year period (01/04/2006 to 31/03/2015) is 2038; of which 828 were on small sites and 1210 on large sites (allocated and windfall), see Appendix 1. Figure 1. below shows the distribution of these completions over the nine year period.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

* Change in JHLAS methodology from survey approach to the use of Building Control completion certificates. This resulted in data quality issues meaning the JHLAS large site (2014/15) data has not been used in this paper.

The Total Number of Windfall Completions

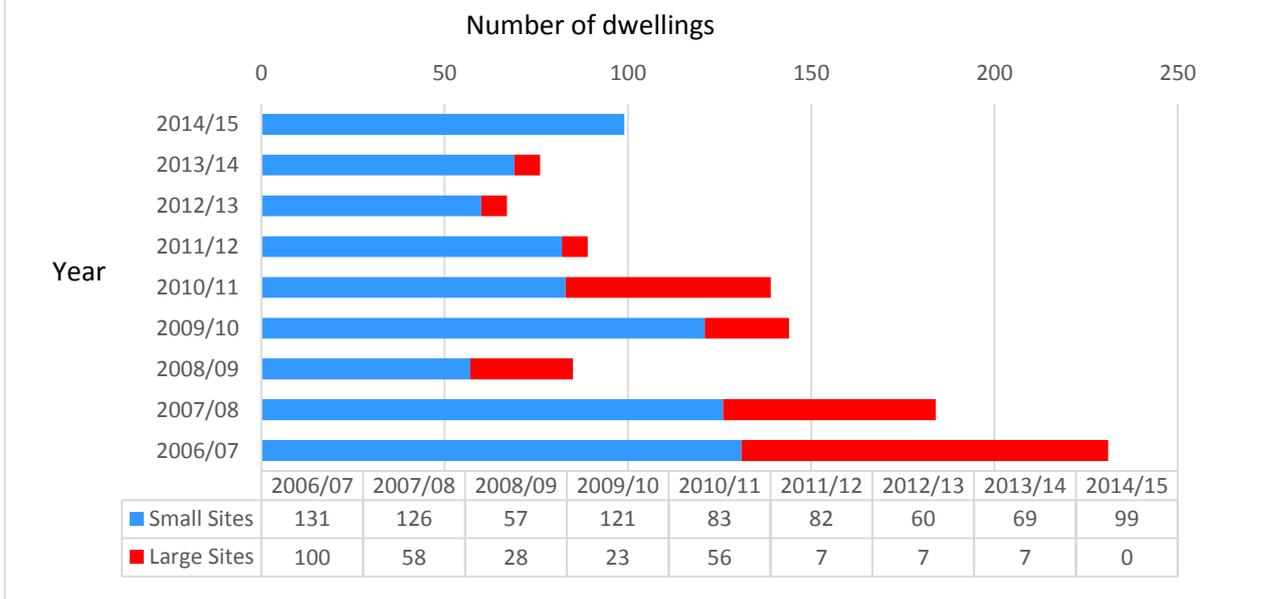
2.4 Of the dwelling completions referred to above, it can be assumed that all the small sites, 828 dwelling units, are windfall due to the fact that the Powys Development Plans (current UDP and historic) only had site allocations for five or more dwellings.

All completions on large sites are recorded within the annual JHLAS surveys that have been undertaken, these comprise of a combination of completions on allocated sites and large windfall sites, so have been analysed to identify the windfall element.

2.5 From the total of 1210 dwelling completions recorded on large sites during the period 1/04/2006 to 31/03/2015, 286 are windfall units, with the remaining 1052 being built on allocated sites. Therefore, in total there have been 1114 (828 + 286) dwellings completed on windfall sites (out of the total 2038) since the start of the nine year period. This equates to 55% of the total completions coming from windfall sites; however, 74% of the total windfall site completions were on sites of four or less dwellings. (See Appendix 1).

2.6 Figures 2. and 3., below show the annual distribution of the windfall site completions over the nine year period and the proportion of large and small sites.

Figure 2: Total Windfall Completions 01/04/2006 - 31/03/2015



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

* Change in JHLAS methodology from survey approach to the use of Building Control completion certificates. This resulted in data quality issues meaning the JHLAS large site (2014/15) data has not been used in this paper.

Figure 3: Proportion of Windfall Site Completions on Small Sites Compared to Large Sites, 01/04/2006 - 31/03/2015



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

3.0 How the additional data relates to that published in the Focussed Changes to the Deposit Draft LDP, 2015.

3.1 The LDP Topic Paper – Phasing and Delivery of New Housing Provision 2016 (EB29) identified a windfall allowance of 87 units per annum over the Plan period based on an analysis of windfall rates over four years, between 2011 and 2015. To reflect the additional analysis undertaken on the completions recorded for the nine year period 01/04/2006 – 31/03/2015 the projected windfall allowance has been revisited and revised in this paper.

3.2 The methodology used to calculate the windfall allowance in the Deposit Plan included taking the total residential completions on windfall sites (small and large sites) between 01/04/2011 and 31/03/2015, a total of 349, which was then divided by the four years (period between 01/04/2011 and 31/03/2015) studied to give an average of 87.25 windfall units per year. This number was then multiplied by 11 to represent the remaining years in the Plan giving an estimate of 960 residential units.

3.3 For this review, using the same calculation as that used originally in the Deposit Draft, the total number of windfall units (1114) is divided by nine (to represent the nine years studied) resulting in a windfall allowance of 124 units per annum. This number is then multiplied by eleven to represent the remaining years of the Plan (01/4/2015 – 31/03/2026) which gives a total windfall projection of 1364 dwellings which equals an increase of 404 units compared to the 960 forecast in Focussed Changes Schedule.

- Calculation: $1114/9 = 124$ *windfall allowance*, $124 \times 11 = 1364$ *windfall projection*

4.0 Is the Windfall Allowance Realistic and Achievable?

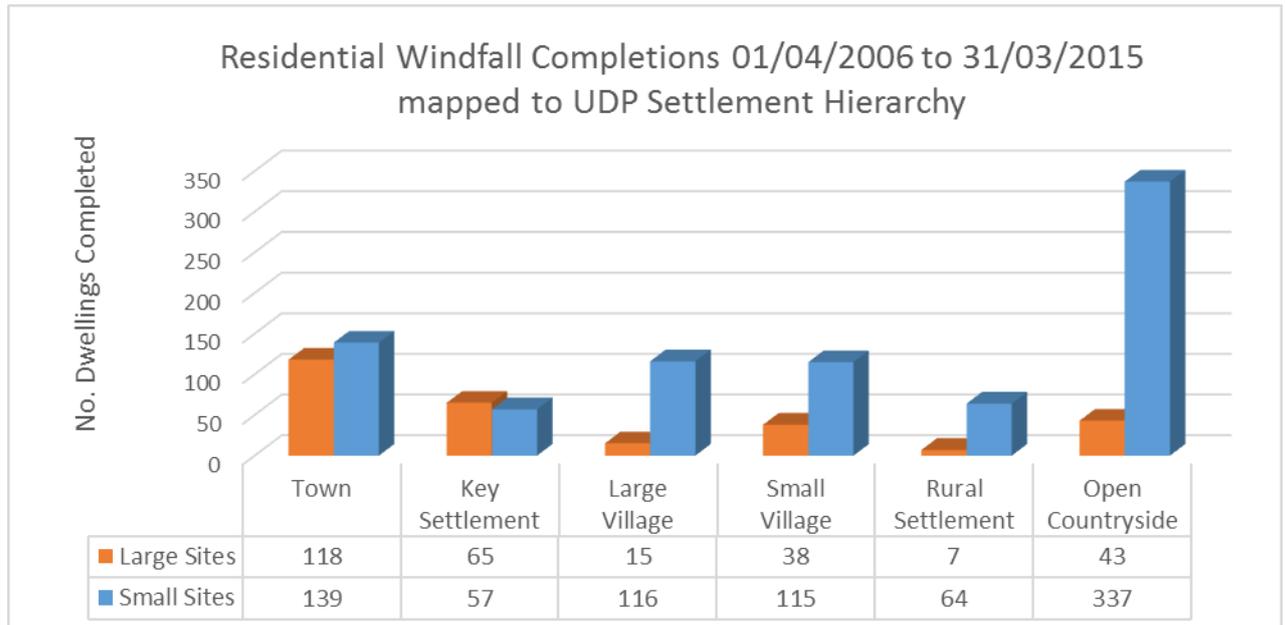
4.1 Extending the trend period has led to an increase in the annual windfall allowance from 87 to 124. This is because the longer trend period now includes years during better economic conditions when completion rates were higher. Consequently, the key issue that needs to be addressed is whether the windfall rate projected above is realistic and achievable and likely to continue with the new LDP policies in place. To test this further, an analysis has been conducted on the historic windfall completions to identify in which tiers of the LDP settlement hierarchy (outlined on P24 of LDP06) the completions have occurred and whether there will be a significant difference in what is likely to be given planning approval following adoption of the LDP. The analysis has been based on the settlement hierarchy as this is one of the most fundamental policy changes that will take place when the LDP replaces the current Unitary Development Plan upon adoption.

4.2 The Powys Unitary Development Plan settlement hierarchy comprises:

- Area Centres (12)
- Key Settlements (20)
- Large Villages (36)
- Small Villages (100)
- Rural Settlements (145)
- Countryside

4.3 Figure 4. below shows the distribution of development across the separate tiers of the UDP settlement hierarchy for the nine year period, 01/04/2006/ - 31/03/2015, categorising the residential completions on large or small sites. The compilation of the different development types and how they are spread across the hierarchy are discussed in detail in paragraphs 4.6 – 4.45 below.

Figure 4.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

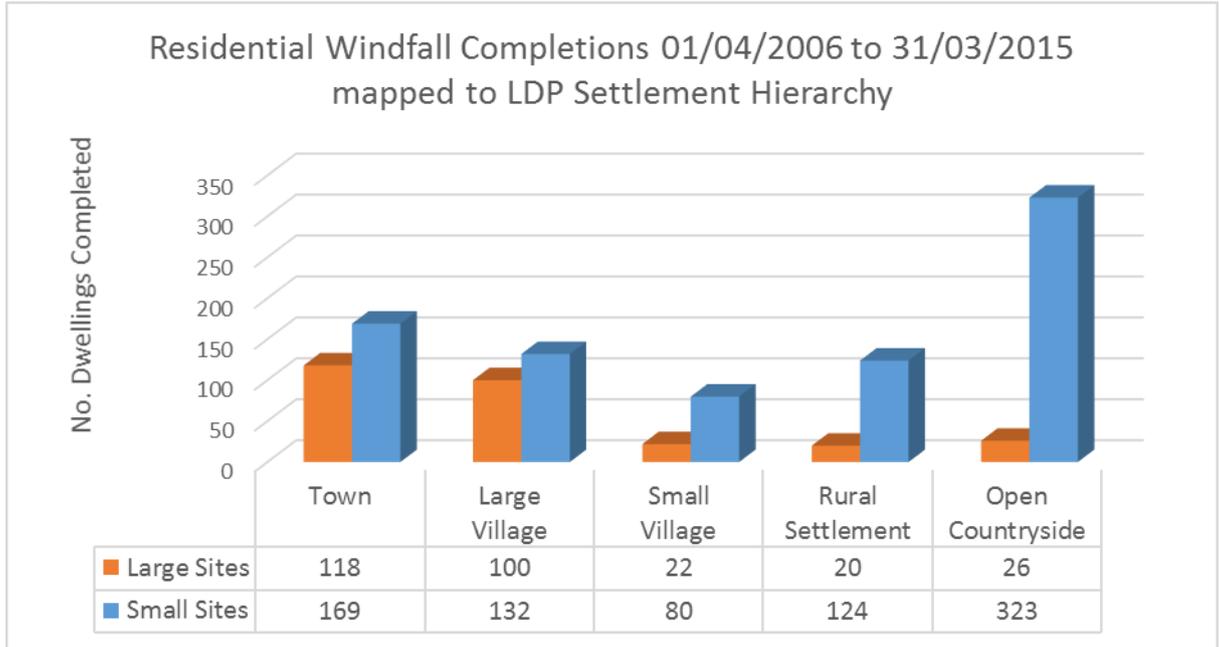
4.4 In contrast, the Powys Local Development Plan settlement hierarchy comprises:

- Towns (15)
- Large Villages (43)
- Small Villages (45)
- Rural Settlements – un - named
- Countryside

4.5 Figure 5, below, shows the distribution of completions over the same timeframe across the separate tiers of the LDP settlement hierarchy for the nine year period, 01/04/2006 - 31/03/2015, categorising the residential completions into large and small sites.

4.6 Paragraphs 4.7 – 4.44 below discuss in detail how the changes between the settlement hierarchies and policies are likely to affect the windfall completion rate for the remaining period of the LDP. In discussing these changes pie charts are used to illustrate the types of windfall development that have taken place across the tier of the settlement hierarchy and the percentage each type represents of the total for that tier of the hierarchy. Only data for the four year period 01/04/2011 – 31/03/2015 is used for this purpose as it is this data which is most reliable and in which we have the most confidence. Appendix 2 details completions of each windfall type by each Settlement Hierarchy tier, whilst a matrix of each windfall type and which tiers of the UDP/LDP hierarchy the development would be permitted is contained in Appendix 3.

Figure 5.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

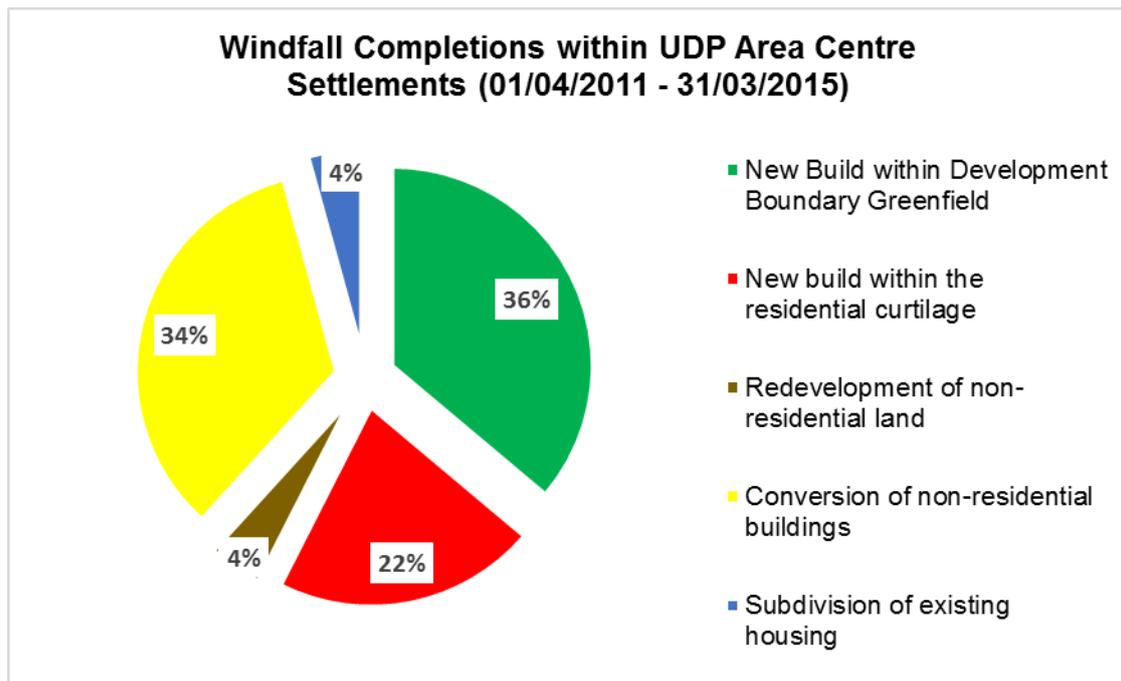
Area Centres (23% of the Windfall Completions, 257 Residential Units)

4.7 This is the top tier of settlements in the UDP and includes the 12 largest settlements in Powys. All of these settlements are included as Towns within the Powys LDP together with an additional two, Montgomery and Llanwrttyd Wells and part of Hay on Wye (the rest of Hay on Wye is in the Brecon Beacons National Park LDP) giving a total of 15 settlements altogether.

4.8 The proportion of the dwelling units on windfall sites completed across Powys in the nine year period (01/04/2006 – 31/03/2015) within this tier of the settlement hierarchy equates to 23% (257 residential units) and of this 54% of those completions were on small sites and 46% on large sites.

4.9 The main windfalls that are found within this tier are the development of sites on greenfield unallocated land (this includes infill) within the development boundary, new houses built within the residential curtilage of an existing dwelling, the redevelopment of non-residential land, the conversion of non-residential buildings, and the subdivision of existing housing. Figure 6 below demonstrates the proportion of each of these different categories that have been completed within the Area Centres in the last four years.

Figure 6.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

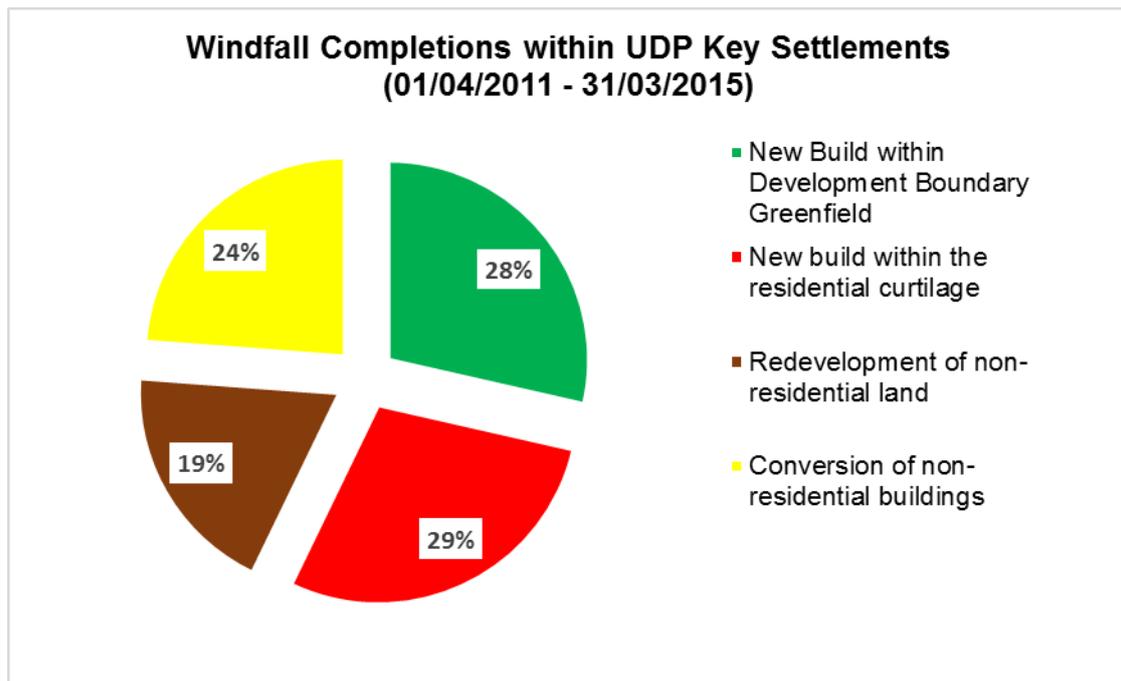
4.10 With regards to any policy changes between the LDP and the UDP, there are no significant differences, these settlements remain the top tier of the settlement hierarchy and have development boundaries. In some settlements the development boundary has been purposely drawn to include areas of white land that may become available for windfall development. Additionally, with the school modernisation programme and public sector restructuring processes taking place it is expected that a continuation of properties across the upper tier of the settlement hierarchy being made available for redevelopment or conversion will continue. Therefore it is not likely that there will be a change in the number of windfall completions within these settlements.

Key Settlements (11% of the Windfall Completions, 122 Residential Units)

4.11 The next tier down are the Key Settlements comprising twenty of Powys' smaller towns and larger villages. This tier is similar to the towns above, in terms of policies and development boundaries and as such the type of windfall completions expected here would be the same as that in the towns. This is further demonstrated by looking at the completions data displayed in Figure 7. below.

4.12 The proportion of dwelling units completed on windfall sites across Powys in the nine year period (01/04/2006 to 31/03/2015) within this tier of the settlement hierarchy equates to 11% of which 47% were on small sites and 53% on large sites.

Figure 7.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

4.13 There is no similar tier to the Key Settlements within the LDP settlement hierarchy. The Key Settlements Montgomery and Llanwrtyd Wells have been up-graded to Towns as detailed above, and one settlement (Sarn) has been reclassified as a Small Village, whilst the majority (17) of the Key Settlements have been designated as Large Villages in the LDP.

4.14 In policy terms, the deletion of Key Settlements simply removes a tier from the hierarchy re-allocating the settlements into different tiers according to a reviewed classification based on size (number of households) and the range of key services and facilities they provide. As both Towns and Large Villages have a similar policy approach this change in the settlement hierarchy is not likely to result in a decrease in windfall completions.

Large Villages (12% of the Windfall Completions, 131 Residential Units)

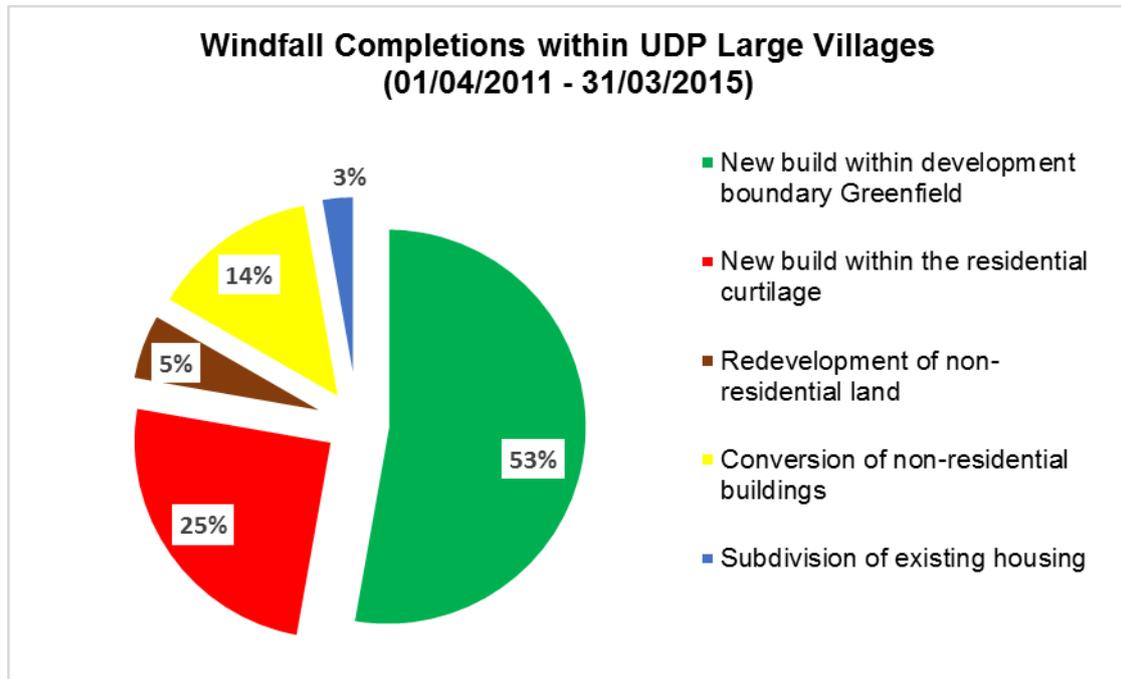
4.15 The third tier within the UDP settlement hierarchy are the 36 Large Villages. Here development demands are expected to be less than in the Area Centres and Key Settlements, but like the other two tiers they have development boundaries and allocations.

4.16 In policy terms the type of windfalls that would be expected here would be again similar to that found in the Towns and Key Settlements but at a lesser level, proportionate with the settlement's reduced size, see Figure 8. below.

4.17 The proportion of the dwelling units completed on windfall sites across Powys in the nine year period (01/04/2006 – 31/03/2015) within this tier of the

settlement hierarchy equates to 12%. Of this 12%, 89% of completions were on small sites and 11% on large sites.

Figure 8.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

4.18 In the LDP Large Villages are the second tier of the hierarchy of which there are 43. Some have been re-designated from Key Settlements (17) in the UDP, whilst some were previously ranked as Small Villages (4). The policy approach for Large Villages in the LDP is similar to that applied to Large Villages in the UDP, they have development boundaries and allocations and projected growth levels proportionate to their size and facilities. Therefore, again, this change in the settlement hierarchy is not likely to result in a decrease in windfall completions.

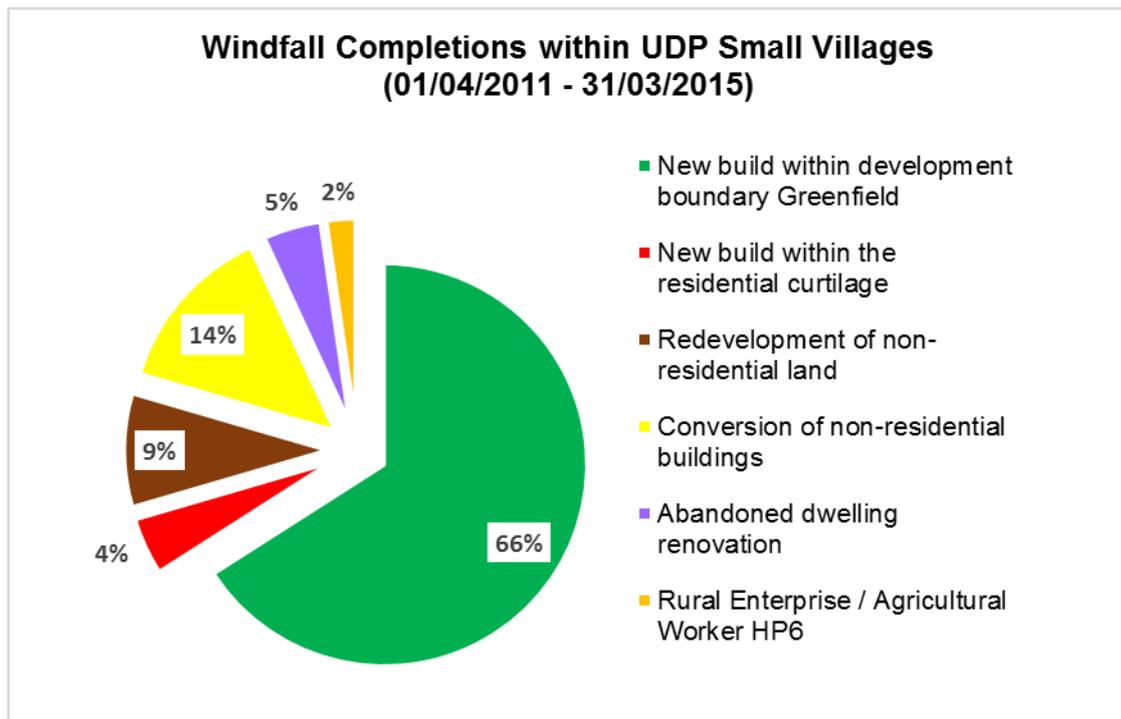
Small Villages (14% of the Windfall Completions, 153 Residential Units)

4.19 In the UDP Small Villages are the fourth tier in the settlement hierarchy of which there are 100. Whilst the UDP recognised that they have little scope for development, they do have development boundaries and allocations where appropriate. The current UDP policy allows windfall developments on sites within this tier of up to five units.

4.20 The proportion of dwelling units completed on windfall sites across Powys in the nine year period (01/04/2006 – 31/03/2015) within this tier of the settlement hierarchy equates to 14% of which 75% of those completions were on small sites and 25% on large sites.

4.21 From Figure 9. below, it can be seen that within the four year period (01/04/2011 – 31/03/2015) there was a greater variation in the types of dwelling units completed compared to the higher tiers of the UDP settlement hierarchy. This is partially due to a change in the location of the development boundary between the Montgomeryshire, Brecknockshire and Radnorshire Local Plans and the UDP (a small number of the residential completions were the result of a planning permission granted before the adoption of the UDP) and a reflection of the more rural nature of these settlements. However, the majority of the residential units completed were still on greenfield sites within the development boundary.

Figure 9.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

4.22 It is at this tier that the most fundamental policy change between the UDP and LDP takes place. In the LDP there are only 43 Small Villages (as opposed to the 100 in the UDP) of which one has been re-designated from a Key Settlement (Sarn) and ten from Large Villages.

4.23 In the LDP the Small Villages do not have development boundaries or allocations so it is at this level that the greatest change will be experienced in windfall development. Any development proposed once the LDP has been adopted will be considered under LDP policies H1, H5 and H7 and National Planning Policy. These policies restrict development to small infill gaps (of one or two dwellings) or larger infill gaps if identified in a village action plan. Further development may only be permitted if small scale affordable/local needs housing or if it complies with the conversion of redundant buildings policy in TAN 6.

4.24 Due to the significant changes in the settlement hierarchy and the more restrictive policies regarding development in Small Villages it would be unrealistic to expect the windfall completions at this level to continue at the same rate. To adjust the windfall allowance to take these factors into account a closer inspection of the completions within the tier needs to be made. There are two elements that need to be taken into consideration; first, the reduction in the number of settlements and, second, the change to more restrictive policies within those settlements that are classified as Small Villages.

4.25 To analyse the impact of the change in the settlement hierarchy all the residential windfall completions for the nine year period (01/04/2006 to 31/03/2015) have been classified into both the LDP settlement hierarchy tiers and the UDP settlement hierarchy tiers. The results can be seen in Table 1.

Table 1. Classification of windfall completions (01/04/2006 to 31/03/2015) for the UDP and the LDP Settlement Hierarchies

UDP Settlement Hierarchy	Area Centre	Key Settlement	Large Village	Small Village	Rural Settlement	Open Countryside	Total
Small Sites	139	57	116	115	64	337	828
Large Sites	118	65	15	38	7	43	286
LDP Settlement Hierarchy	Town		Large Village	Small Village	Rural Settlement	Open Countryside	
Small Sites	169		132	80	124	323	828
Large Sites	118		100	22	20	26	286

Source: PCC Small Sites Housing Monitoring System , JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

4.26 From the table it can be seen that in the the UDP settlement hierarchy 115 residential unit completions took place in the Small Villages. However, only 80 of these small site completions would have taken place within a Small Village settlement as defined by the LDP. This is due to the decrease in the number of Small Villages from 100 to 43. Most of the settlements that were Small Villages in the UDP (that no longer fall within this tier) have become Rural Settlements with further restrictions again on the types of development permitted (see paragraph 4.35 below).

4.27 The difference in the number of dwelling units completed on windfall sites between the LDP and the UDP Rural Settlement hierarchy tier is 60 (124 – 64). It can be assumed that the majority of these 60 dwellings, now classified as being within a LDP Rural Settlement, were completed within the UDP Small Village tier and permitted under its associated policies. It would be unrealistic to expect to see a continuation of the level of completions shown in Table 1 for LDP Rural Settlements. Therefore, it is recommended that the calculation used for the windfall allowance discounts those units which have moved down the settlement hierarchy (124 – 64 = 60, 60/9 (01/04/2006 – 31/03/2015 = 9 years) = 6.67 see paragraph 5.1).

4.28 Secondly, the differences in Policy approach for Small Villages between the UDP and the LDP needs to be taken into consideration (see paragraph 4.22). It is unlikely that the Small Villages will see many large sites other than those that are conversions permitted through TAN 6. Exceptions to this will be sites forming minor logical extensions for affordable housing or larger infill sites where identified in a village action plan. However, both types of development are not expected to be a regular occurrence. Assessing the last four years worth of data shows there were only nine dwelling units completed on large windfall sites within the Small Villages. These units therefore, also need to be discounted from the windfall allowance calculation ($9/4 = 2.25$ (data collected for four years) see paragraph 5.1).

This figure of 2.25 units is realistic as a discount figure rather than taking the 38 large site windfall units completed over a nine year period, as shown in Table 1 above. The 38 units include conversions that are permitted under national policy so would not be included within any discount figure.

4.29 A discount also needs to be applied to small site residential windfall completions which come to a total of 44 residential units being completed within the Small Villages over the four year period (01/04/2011 – 31/03/2015). Figure 9 above shows that 66% (29 of the 44 units) of all completions that took place within this tier were new build developments on greenfield sites within the development boundary. A closer inspection of the 29 units completed to identify if they would have been classified as infill sites of one to two units between dwellings showed that only 25% of these sites fall within the criteria (Policy H1 in LDP06). Therefore, it is unrealistic to include the remaining 75% of units within the calculation being used to inform the windfall allowance ($29 - 7$ (25%)) = 22 (75%), $22/4 = 5.5$ (data collected for four years 01/04/2011 – 31/03/2015) see paragraph 5.1.

4.30 The remaining categories of development regarding conversions, redevelopment of non-residential land and the building of residential units within the curtilage of existing dwellings is expected to continue although in some circumstances at a reduced rate that is consistent with the relevant policies that include infill limited to one to two dwellings. However as changes in this are difficult to predict, this will be monitored, together with the number of units completed through the formation of minor logical extensions for affordable housing or larger infill sites where identified in a village action plan, to identify whether any further adjustments need to be made to the windfall allowance calculation at the Plan review stage.

All of the predictions discussed above align with the LDP Growth Strategy with development being directed to the most sustainable locations which are the upper tiers of the settlement hierarchy.

Rural Settlements (6% of the Windfall Completions, 71 Residential Units)

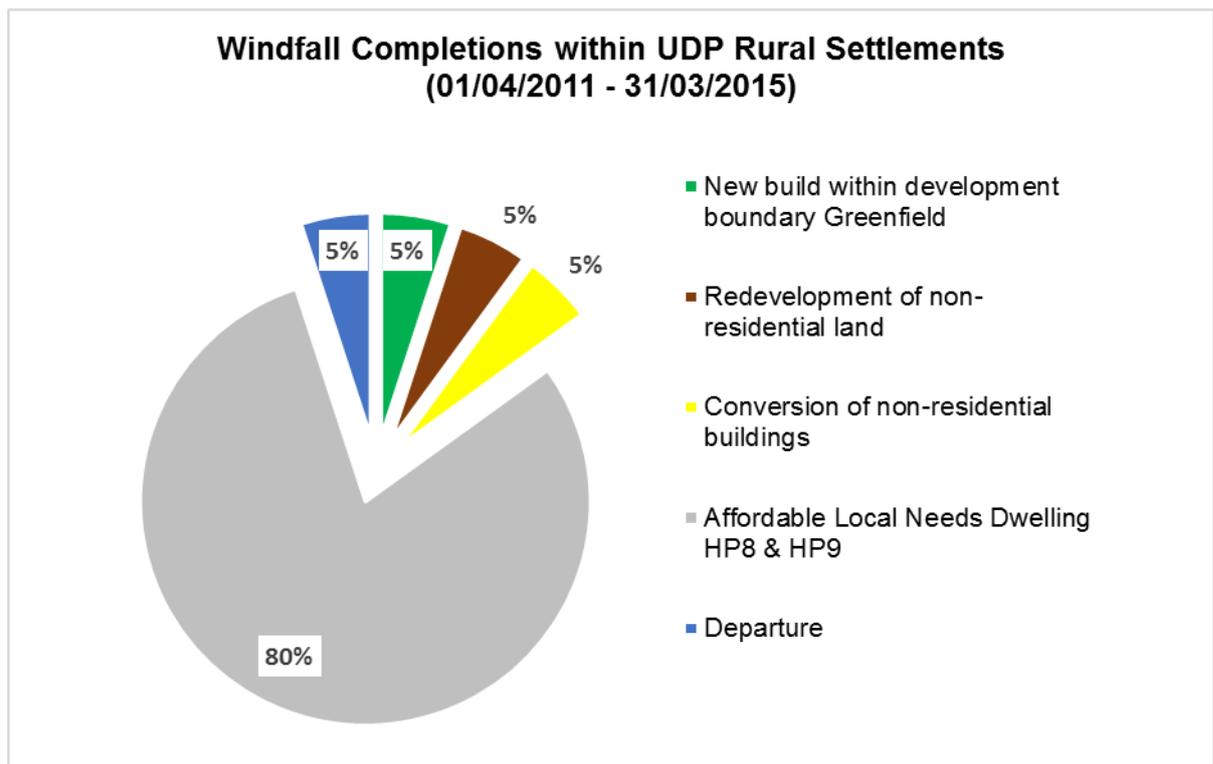
4.31 In the UDP the lowest tier of settlements in the hierarchy are the Rural Settlements. These are named in a schedule within the Plan and generally

consist of clusters of dwellings in a rural setting. Here the type of development is limited to sensitive in-filling of one or two dwellings to provide affordable local needs housing. These settlements do not have development boundaries or allocations.

4.32 The proportion of the dwelling units completed on windfall sites across Powys in the nine year period (01/04/2006 to 31/03/2015) within this tier of the settlement hierarchy equates to just 6% - 90% being completions on small sites. This figure demonstrates the restrictive approach to general housing in lower tier settlements.

4.33 Figure 10. below, shows that the majority of the dwellings completed within this settlement tier are Affordable Local Needs dwellings (80%). Figure 10. also shows a small percentage of sites being completed on sites within the development boundary; this is due to the planning application being permitted under a development plan previous to the adoption of the UDP where the dwelling would have been within a development boundary (this has only happened in a very small number of cases).

Figure 10:



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

4.34 Most of the Rural Settlements in the UDP would be expected to remain as such in the LDP; however, whilst the UDP took the approach of naming the settlements, the LDP takes the approach that Rural Settlements are defined by the following characteristics:

- Historically recognised / named settlements; and
- Located in a rural setting and contain at least 10 dwellings; and
- Can be clusters of dwellings or more dispersed.

This may mean that where a Rural Settlement named in the UDP consists of less than ten dwellings it no longer falls within this tier of the settlement hierarchy and becomes reclassified as Open Countryside.

4.35 As discussed in paragraph 4.26 above there are less than half the number of Small Villages in the LDP compared to the UDP. The LDP reclassifies these settlements as Rural Settlements. However, the total number of Rural Settlements in the LDP is not changing dramatically to that in the UDP due to the number of UDP Rural Settlements failing to meet the ten dwellings criteria.

4.36 The LDP Policy is similar to the UDP in that the only dwellings permitted within this tier are single rural affordable homes, residential conversions and the renovation of former abandoned dwellings. Figure 10 above demonstrates that the majority of dwellings completed within this tier in the past have been the single, rural, affordable homes.

4.37 The most significant change between the LDP and the UDP policy at this level is in the eligibility criteria of any applicant / occupier of a Rural Affordable home. In the LDP, Policy H8 is more stringent than the eligibility criteria in the UDP Policy HP10 requiring the occupancy of such dwellings to be restricted to those who are in “housing need” as defined by the common allocation scheme and its procedural guidance (Powys County Council’s Housing Guidance). Due to this there may be a decrease in the number of rural affordable homes receiving planning permission once the LDP is adopted. However, the completions recorded within this tier of the UDP settlement hierarchy only accounted for 6% of the completions on windfall sites in total (01/04/2006-31/03/2015), so this change is not likely to have a significant impact on what is calculated for the windfall allowance. Again this will be monitored into the future to ensure the policy mechanisms are working in support of the LDP aims and objectives.

Open Countryside (34% of the Windfall Completions, 380 Residential Units)

4.38 In both the UDP and the LDP all housing development in the Open Countryside is on windfall sites. Here development is restricted but not prevented. The majority of dwellings permitted in the Open Countryside are done so through National Policy, TAN 6 – Rural Enterprise / Agricultural Workers Dwellings, Conversions and One Planet Developments. In addition to this, both the UDP and the LDP have a policy for the renovation of abandoned dwellings.

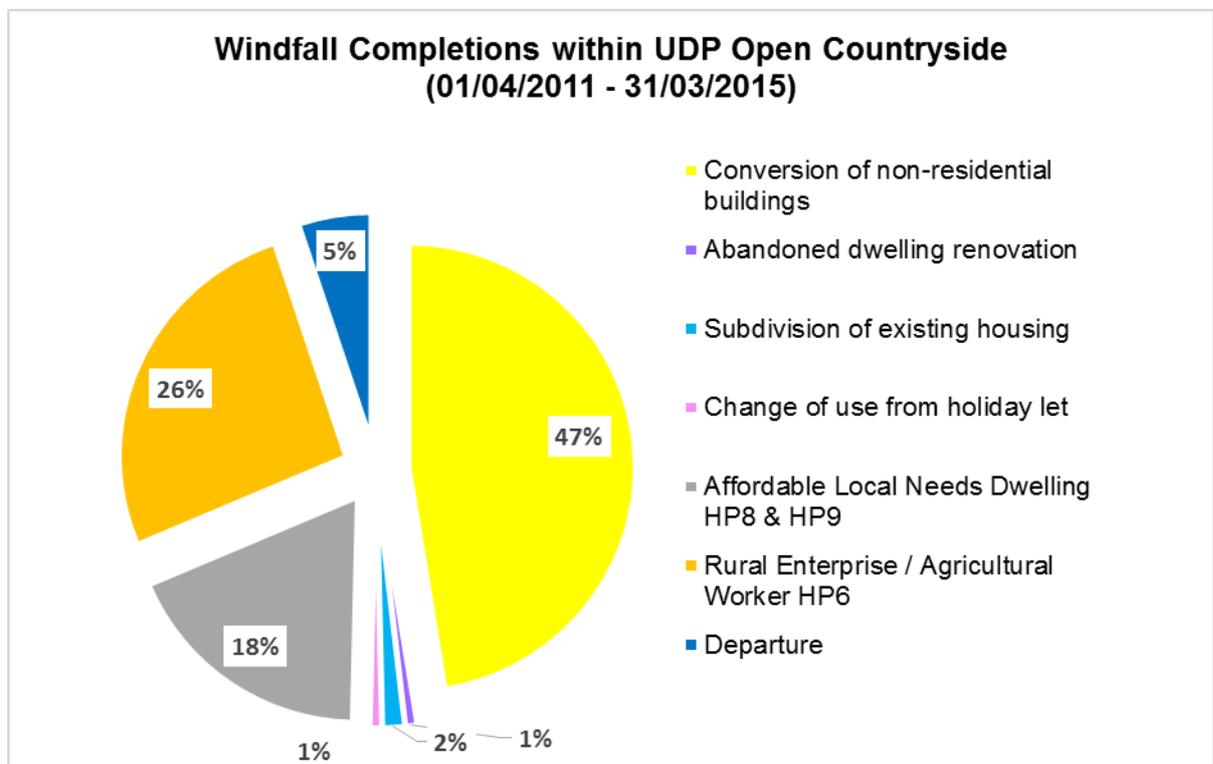
4.39 Affordable Local Needs Dwellings are permitted in the UDP where they adjoin settlements with development boundaries (with the exception of Area Centres). These units are classed as Open Countryside because they fall outside

of a development boundary but on the ground they appear as part of the settlement's built form.

4.40 The proportion of the dwelling units completed on windfall sites across Powys in the nine year period (01/04/2011 – 31/03/2015) within this tier of the settlement hierarchy equate to 34% of which 89% were on small sites and 11% on large sites. All the completions on large sites were conversions.

4.41 The figure of 34% of completions being within this tier of the hierarchy demonstrates the rurality of Powys and the importance placed on Affordable Local Needs or Agriculture / Rural Enterprise dwellings that remain affordable or tied to the business in perpetuity so as to sustain the grounds for the exception which enabled the dwelling in the Open Countryside in the first place.

Figure: 11.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

4.42 It can be seen from Figure 11 above that the majority of the residential units (74%) completed were permitted in accordance with National Policy. The Policies that permitted the remaining units are similar between the UDP and the LDP. Therefore, it is not expected that change from the UDP to the LDP will have an effect on windfall rates at this tier in the Settlement Hierarchy.

4.43 However, there are other factors that may have an effect. These include a reduction in the supply of agricultural buildings that are suitable for conversion as the most appropriate ones have already been converted and the

number of residential planning permissions being granted on the basis of a lack of five years supply of land for housing. The latter has seen a number of residential developments permitted on departure sites, in locations that fall outside of settlements development boundaries (both UDP and LDP), in the last 12 months. Although being defined as Open Countryside it must be assumed that they are in sustainable locations adjoining settlements in the upper tiers of the settlement hierarchy.

4.44 The permitting of these Departure Sites contributes to the windfall figure; however, once the LDP is adopted the Local Planning Authority will have a five year land supply making it more difficult for such applications to be approved.

5.0 Reviewing the Windfall figure taking into account LDP Policy

5.1 To review the windfall allowance the starting point is to take the total number of completions on windfall sites between 2006 and 2015 (a nine year period) which is 1114. This figure is then divided by nine to produce an average for the period - 124. The following adjustments then need to be made to account for the changes in the LDP settlement hierarchy and policies that will have an impact on the windfall completion rate over the remaining eleven years of the plan as detailed through the assessment in section four.

Nine Year Average Annual Windfall Completion Rate: 124 minus the following:

- 6.67 = to represent the loss of settlements allowing open market housing (see paragraph 4.27)
- 2.25 = to represent the loss of large windfall sites in Small Villages (see paragraph 4.28)
- 5.5 = to represent the change of policy to infill of only 1-2 dwelling units in Small Villages (see paragraph 4.29)

5.2 This gives a total following the above discount of 109.58, which can be rounded to 110 residential units per annum. The 110 residential units is a more representative windfall allowance that takes into account the last nine years' worth of data but is then adjusted to take into account the LDP policies moving forward.

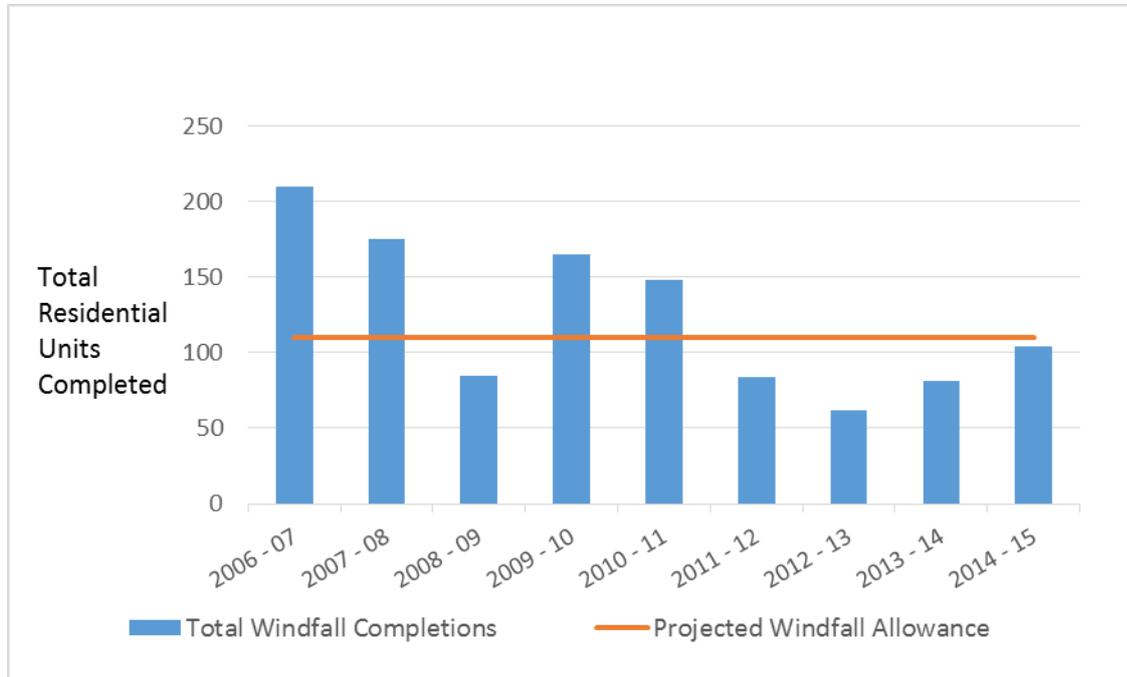
5.3 Figure 12. below shows how a windfall allowance of 110 residential units relates to the nine years (01/04/2006 – 31/03/2015) known residential completions on windfall sites. The chart shows that in four of the nine years the windfall allowance was met with one year exceeding it by 121 units. In the other five years the number of units completed was less than the annual allowance by up to 43 units.

5.4 Although not included within the detailed analysis undertaken within this paper, the results from the PCC Small Sites Housing Monitoring System together with the JHLAS for 2016 (01/04/2015 to 31/03/2016) have been collated. The results show that there were 188 completions on windfall sites (79 on small and 109 on large sites). This is over the windfall allowance by 78 dwellings.

5.5 Windfalls by their very nature are unpredictable and are not planned for but it is expected that such development will occur over the Plan period and must therefore, be factored into housing provision. Whilst a windfall allowance of 110 has not been met every year over the trend period studied it does represent a fair assumption of what is likely to be achieved over the remainder of the Plan period particularly as the years 2014/15 and 2015/16 show the possible beginnings of an upward trend. It also represents an allowance rather than a target, but one

which recognises the important contribution that these sites make to meet the housing demand and needs of Powys.

Figure 12. Chart showing a Windfall Allowance of 110 Residential Units against 2006 – 2015 Residential Completion Data on Windfall Sites.



Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

6.0 Impact on the LDP strategy

6.1 The revised windfall allowance impacts on the housing provision number by increasing the windfall projection in table H2 from 960 to 1210, a total increase of 250 residential units, however it has no impact on the overall strategy.

7.0 How will this figure be taken forward?

7.1 The windfall allowance will be monitored annually to assess that it represents what is happening on the ground. Any significant deviation from the projections will be addressed through the review stage of the plan.

8.0 Conclusion

8.1 Extending the time frame to provide additional evidence in respect of the windfall calculation has led to an increased windfall allowance from 87 to 110. Whilst this increase requires an amendment to the housing provision figure in the LDP it is considered to be a more representative allowance being based on sound evidence for a nine year period and as such, is a realistic and achievable allowance. Upon adoption of the LDP the paper shows that the new LDP settlement hierarchy will result in some increased restrictions on windfall development in line with the move to a more sustainable development pattern, but it is clear that windfalls are expected to continue making a significant contribution to housing provision in Powys.

Appendix 1 - All Residential Completions 01/04/2006 – 31/03/2015

		2014/15*	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	Totals
All Completions	Small Sites	99	69	60	82	83	121	57	126	131	828
	Large Sites	0	123	147	15	156	132	102	240	295	1210
		99	192	207	97	239	253	159	366	426	2038
											0
Windfalls	Small Sites	99	69	60	82	83	121	57	126	131	828
	Large Sites	0	7	7	7	56	23	28	58	100	286
		99	76	67	89	139	144	85	184	231	1114
Percentage of comps that are windfall		100%	40%	32%	92%	58%	57%	53%	50%	54%	55%

Source: Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2006 – 2015

* Change in JHLAS methodology from survey approach to the use of Building Control completion certificates. This resulted in data quality issues meaning the JHLAS large site (2014/15) data has not been used in this paper.

Appendix 2 Residential Completions on Windfall Sites, 01/04/2011 to 31/03/2015 by Windfall Category in the UDP Settlement Hierarchy

Small sites and large Sites	New Build within Development Boundary - Greenfield	New build within residential curtilage	Redevelopment of non-residential land	Conversion of non-residential buildings	Abandoned Dwelling Renovation	Subdivision of existing housing	Change of use from holiday let	Affordable Local Needs Dwelling	Rural Enterprise / Agricultural Worker	Departure	Totals	%
Area Centre	17	10	2	16	0	2	0	0	0	0	47	15%
Key Settlement	6	6	4	5	0	0	0	0	0	0	21	7%
Large Village	19	9	2	5	0	1	0	0	0	0	36	12%
Small Village	29	2	4	6	2	0	0	0	1	0	44	14%
Rural Settlement	1	0	1	1	0	0	0	16	0	1	20	7%
Open Countryside	0	0	0	65	1	2	1	25	36	7	137	45%
TOTALS	72	27	13	98	3	5	1	41	37	8	305	
	24%	9%	4%	32%	1%	2%	0%	13%	12%	3%		

Source: Source: PCC Small Sites Housing Monitoring System, JHLAS, Planning Consents and Building Control Completion Notices 2011 – 2015

Appendix 3 – Matrix Demonstrating How The Different Categories of Development Are Permitted Under UDP Policies and LDP Policies

		New Build within Development Boundary - Greenfield	New build within residential curtilage	Redevelopment of non-residential land	Conversion of non-residential buildings (National Policy)	Abandoned Dwelling Renovation in Rural Areas	Subdivision of existing housing	Change of use from holiday let	Affordable Local Needs Dwelling	Rural Enterprise / Agricultural Worker (National Policy)
UDP Policies	Area Centre (12)	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	Key Settlement (20)	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	Large Village (36)	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	Small Village (100)	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	Rural Settlement (145)	No	No	No	Yes	Yes	Yes	No	Yes	Yes
	Open Countryside	No	No	No	Yes	Yes	Yes	No	Yes (adj dev boundary)	Yes
LDP Policies	Town (15)	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	Large Village (43)	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
	Small Village (45)	Infill only	Infill only	Infill only	Yes	Yes	Yes	Yes	Yes	No
	Rural Settlement	No	No	No	Yes	Yes	Yes	No	Yes	Yes
	Open Countryside	No	No	No	Yes	Yes	Yes	No	Yes (adj dev boundary)	Yes