

Further Supporting Information on Windfall Sites submitted to GOL 18.3.10

Background

Government office for London (GOL) have concerns regarding housing delivery through the Core Strategy and have commented that:

The table in Chapter 40 shows that 5323 homes can be delivered through the strategic site allocations in the plan. However, the Core Strategy should make it clear how the remaining homes (that will not come forward on the strategic sites) are to be delivered. Chapter 40 does not provide adequate material to satisfy an Inspector that the housing target can be met over the plan period. We therefore seek reassurance that the Council has the evidence base to support the full target as, in our view, there is some risk of the Plan being found unsound in this area.

In response to GOL concerns some changes have been recommended to paragraphs in order to confirm that there is sufficient evidence and justification to meet the full target. Reference is made also to the necessary contingencies set out in the Core Strategy. The proposed changes are as set out below, are contained within the proposed submission Core Strategy version.

Para. 35.3.1 A minimum of 3,500 homes should be provided between 2007/8 and 2016/17 (350 units per year). This housing target is based on evidence of the housing capacity in the Borough which formed the basis of the London Plan target. The **emerging** work on the London-wide Strategic housing Land Availability Assessment (SHLAA) indicates that this could go up significantly, principally because of the large strategic sites that have been identified through the Core Strategy. These sites have additional potential capacity, and subject to development, will deliver the required number of dwellings in the Royal Borough. The target is ~~still~~ awaiting confirmation through the revised London Plan, **however**, the Borough will be planning for 600 net additional units per annum once the revised London Plan is adopted.

35.3.2 The Housing Trajectory (see Section 40.1) shows the annual requirement for dwellings judged against the target, and further information on the delivery from strategic sites is provided in section 40.2. Combined, these sites account for over 5,400 dwellings, in excess of 90% of the Borough overall target. In common with other inner-London boroughs, there is therefore, a necessary reliance on a relatively small supply of housing from windfall sites. These have, historically, provided an important supply of housing for the Borough, and based on monitoring of past trends will allow annual targets to be exceeded.

35.3.3 Contingency plans exist (see Chapter 39 Contingencies and Risks) so that, in the event that monitoring identifies possible risks to delivery, the Council has a strategy to address the risk.

35.3.4 These targets are derived from the SHLAA and monitoring evidence to identify sufficient specific deliverable sites in the initial five years of the Core Strategy, with a further supply of developable sites for years 6-10. Delivery will be monitored to manage the supply of land to deliver the housing requirements over the next five years of the housing trajectory.

The accompanying paper sets out the evidence and justification, demonstrating that although there is a shortfall in numbers between the identified sites and the emerging Borough target, there is sufficient capacity from other sites – those which could not be previously identified – to achieve and exceed the full target. While this reliance is small, there is sufficient evidence locally to justify its inclusion, as an important supply of housing for the borough, historically.

Other sites' capacities have been maximised, while the reliance on windfalls is minimised. The approach is therefore consistent with the PPS3 requirements, and there should be no risk of the Plan being found unsound in this area.

1.0 Introduction

- 1.1 The Greater London Authority (GLA) developed a methodology for a London wide SHLAA incorporating the requirements of PPS3 and tailoring them to the unique circumstances of London to update the housing capacity assessment figures in the London Plan (2008) for inclusion in the replacement London Plan.
- 1.2 The housing targets in the Core Strategy are based on those in the London Plan (2008), and reflect the proposed changes in the Draft Replacement London Plan (October 2009). RBKC participated in the Greater London Authority (GLA) led London wide Strategic Housing Land Availability Assessment (SHLAA) which forms the basis for the new targets.
- 1.3 Planning Policy Statement 3 (PPS3) advises that Local Development Documents and Regional Spatial strategies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment (SHMA) and land availability, through a Strategic Housing Land Availability Assessment (SHLAA).
- 1.4 Full details of the London wide SHLAA methodology and results are set out in The London Strategic Housing Land Availability Assessment and Housing Capacity Study 2009 published by the GLA in October 2009. The study was led by the GLA in conjunction with the boroughs and the involvement of house builders. The Government Office for London (GOL) were also represented in the SHLAA process, and confirmed, in a joint statement with the GLA, that The 2004 HCS underpinning current targets was exceptionally rigorous and appropriate to the unique circumstances of London. Further, that the new study – the SHLAA - will need to maintain this approach while addressing the policy objectives of PPS3:
- <http://legacy.london.gov.uk/mayor/planning/docs/15-yr-land-supply.pdf>
- 1.5 The GLA study identified housing capacity in London from 4 broad sources:
- Capacity from large sites (0.25 hectares or above) through consideration of theoretical constraints and probability of development of large housing sites;
 - Capacity from small sites based on historical trends;
 - Capacity from non-self contained units based on historical trends; and
 - Capacity from vacant housing returning to use also based on agreed methodology.
- 1.6 The process of defining the capacity for each borough has involved discussion with the GLA in order to agree figures. It should be noted that once completed, a SHLAA is an important evidence base for plan making but that it does not allocate sites for housing, nor does it pre-empt or prejudge and future decisions a planning authority may make on a particular site or planning application.

Windfall Allowances

- 1.7 The requirement for Strategic Housing Land Availability Assessments (SHLAAs) is set out in Planning Policy Statement 3¹ (PPS3) as a proactive approach to identifying housing land supply. The primary role of a SHLAA is to identify sites with potential for

¹ CLG. Planning Policy Statement 3: Housing. CLG 2006

housing; consider their housing potential; and assess when they are likely to be developed.

- 1.8 PPS3 sets out the national requirement for Local Development Frameworks (LDFs) to demonstrate a 15-year supply of land for housing from the date of adoption. This should be based on information from a SHLAA and/or other relevant evidence to identify deliverable sites for the first five years, developable sites for years 6-10 and where possible, potential housing sites for years 11-15.
- 1.9 National guidance on carrying out SHLAA provides flexibility in applying PPS3 **in light of local circumstances**. The challenge for this study was to address PPS3 policy and the principles of national SHLAA guidance in the very distinct circumstances of inner-London, and the particularly densely built-up nature of the Royal Borough. The approach employed for the Royal Borough has addressed national requirements for:
 - a. An assessment which is based as far as is possible on specific sites with housing potential, on ***minimal dependence on 'windfall assumptions'***,
 - b. An assessment of the housing potential of these sites, and
 - c. Realistic phasing of the development.
- 1.10 This study was driven by the nationally set requirement to identify sufficient sites for at least the first 10 years of an LDF and where possible for longer than the whole 15 year plan period.
- 1.11 In line with national guidance, the study recognises it is not possible to accurately identify sufficient sites in London for the whole of the life of an LDF. Thus, the study provides the evidence base to support judgements around whether broad locations should be identified and/or whether there are genuine local circumstances that mean a windfall allowance may be justified in the first 10 years of the plan.

Windfall Allowance

- 1.12 In addition to the large sites identified there are other sources of capacity that are calculated by an allowance based on past trends. These additional sources of supply include small sites (<0.25ha), non-self contained units and supply from bringing vacant stock back into use. In the unique circumstances of London, the SHLAA states that "*these sources of housing supply have historically been important in addressing housing need*". This source of supply is particularly important in the case of the Royal Borough.
- 1.13 In keeping with a key principle of government guidance on SHLAA preparation, boroughs are strongly advised, in presenting their evidence, to minimise dependence on 'windfall' capacity (in the SHLAA/HCS these are small sites, NSC and vacants) in order to meet their targets, and maximise use of evidence of capacity coming forward from identified sites – i.e. those in excess of 0.25ha.
- 1.14 To inform plan preparation, the SHLAA states that Boroughs may wish to supplement the information collected for the SHLAA/HCS with evidence of further identified capacity where available.
- 1.15 It recognises, explicitly, that in the unique circumstances of London many boroughs are nevertheless likely, in varying degrees, also to have to draw on evidence of the contribution of windfalls. Government policy in PPS3 provides flexibility to include

windfall contributions, where justified, providing authorities have maximised the likely contribution of identified sites.

2.0 Housing Implementation in RBKC

2.1 For the Royal borough, the SHLAA process identified the following capacity, as set out at Table 4.12 of the SHLAA.

SHLAA Table 4.12 Total capacity by borough

BOROUGH	Sub region	Large site capacity	small sites	Non- self contained	Vacants	Total Capacity
Kensington & Chelsea	Central	4,191	1,260	87	451	5,989
% of total		70	21	1.5	7.5	100

2.2 The total supply estimated to come from small sites is around 21% of the borough's total, at 1260, or around 120 p.a. from small sites. These are the sites that are more likely to be windfalls (defined as **previously unidentified sites**), which in the RBKC context can be seen to be an accurate assessment of the proportion, through monitoring of developments.

2.3 The Core Strategy Housing Implementation Strategy for the trajectory is set out at Chapter 40 of the Proposed Submission Core Strategy (October 2009). This has been updated to reflect changes known at 2 sites, as more detailed work on capacity emerges, or planning permissions are granted. The table below reflects these changes, and covers the Borough's 8 strategic sites (Warwick Road sites are separated out into their component parts).

<u>Strategic Site</u>	<u>Total Estimated Housing Provision</u>
Kensal	2500
Wornington	380 (new units from private sale)
Land Adjacent to Trellick Tower	60
North Kensington Sports Centre	No housing is allocated on this site. Some housing may be possible depending on the design of this site.
The former Commonwealth Institute	None/negligible
Warwick Road (separate sites listed below)	
- Charles House	530
- Former TA	255
- Telephone Exchange	158
- Homebase	300

- 100 West Cromwell Rd	350
Lots Road	420
Earl's Court	500
TOTAL	5453

- 2.4 The significant supply from these strategic sites are to be delivered within the lifetime of the plan, although in the cases of Kensal and Earl's Court, the phases extend to 2023 which is beyond the SHLAA time-horizon. Nevertheless, the combined housing delivery from these sites will require only a small additional proportion from other sources in order to achieve the housing target of 6,000.
- 2.5 The strategic sites above account for over 90% of the overall housing target of 6,000. If rolled forward to 2023 to account for the later phasing of 2 of the sites, this proportion drops to 71% (see (c) in the table below) but the shortfall is more than adequately covered by supply from small sites, and from non-self contained or vacant supply. Indeed, the overall proportion of the strategic sites as a percentage of the total, will, in each case exceed the SHLAA assessment that 70% of the borough capacity will come from large sites. This is illustrated in the table below:

BOROUGH	Large site capacity	small sites	Non- self contained	Vacants	Total
(a)SHLAA requirement 2011-2021	4,191	1,260	87	451	5,989
% of total	70	21	1.5	7.5	100
(b) SHLAA requirement adjusted for strategic sites 2011-2021	5,453	1,260	87	451	7,251
% of total	75.3	17.3	1.2	6.2	100
(c)SHLAA requirement adjusted for strategic sites, rolled forward to 2023	5,453	1,512	104	541	7,610
% of total	71.6	19.8	1.4	7.1	100

- 2.6 Through monitoring, it can be seen that in the borough the proportion of housing delivered on small sites has been high, and is an important source of housing in the borough. Between 1991 and 2008, completions on non-major sites (less than 10 dwellings) accounted for 40% of residential completions in the Borough. These are exactly the type of sites which would not be identified, and when developed would fall within the 'windfall' category.
- 2.6b More detailed analysis of past windfall sites within the London Development Database, for RBKC show that, broadly, one third of the Borough's housing completions are from windfall sites each year. These range from around 74 units per year, to 112 per year. While there is a relationship between overall completions and the supply through windfalls, it is not a direct correlation, and so any assumptions about increased supply relative to overall should be treated cautiously.

Financial Year	Windfall Completions*	Total Completions	Windfall % of total
2004	92	245	37.6
2005	74	203	36.5
2006	86	296	29.1
2007	112	245	45.7
2008	92	282	32.6
Totals	456	1271	35.8

Source:LDD

*Includes completions from unstated sources not previously identified**

2.7 Even allowing for a reduction in the dependence on small sites not previously identified, the capacity now identified through the Core Strategy process will ensure that the overall housing target is achieved. Any shortfall against overall target of 6,000 will be provided from alternative sources, however the reliance on windfalls is not considered excessive given the characteristics of the borough.

2.8 The identified strategic sites will account for a higher proportion of the overall projected supply of housing than the SHLAA assessment concluded would be provided from Large Sites.

3.0 Conclusion

3.1 Overall it is considered that RBKC has identified housing sites to meet housing requirements set out in the current target and to potentially meet any higher targets in favourable circumstances.

3.2 The Core Strategy has inbuilt flexibility to ensure the continued delivery of housing in any economic cycle but other risks to delivery have been identified and contingencies developed to ensure the minimum impact on the delivery of the Core Strategy. However, if supply of housing continuously fails to meet target management actions will be put in place to alter this trend, as identified in Chapter 39.