

Housing Land Supply, Windfall and Housing Capacity Evidence Paper

St Albans City and District Council – September 2024

1. Introduction

- 1.1. This evidence paper sets out the position of St Albans City and District Council (SADC) for the Regulation 19 Publication Local Plan to 2041, with regards to the topic areas of housing land supply, windfall and housing capacity. It sets out the reasoning and justification for the housing land supply position and windfall allowance included in the housing trajectory in Part A of the Local Plan and the housing capacity of housing site allocations in Part B.
- 1.2. A local housing need figure of 885 dwellings per annum is used for the Local Plan, based on the Government's standard methodology.
- 1.3. This Paper considers the following matters:
 - Section 2. Housing Trajectory Contents / Appearance
 - Section 3. Years Trajectory covers
 - Section 4. Non-implementation rate / Lapse assumption
 - Section 5. Windfall rate
 - Section 6. Build out rates
 - Section 7. Housing capacity
 - Appendix A: Housing Trajectory summary table

2. Housing Trajectory Within the Local Plan Document

- 2.1. The Regulation 19 Publication Local Plan housing trajectory is included in Chapter 3 – Sustainable Use of Land and Green Belt (Table 3.2) of Part A of the Local Plan as a summary table. The trajectory is also set out in Appendix A of this paper.
- 2.2. The housing trajectory includes a stepped annual housing requirement to allow sufficient time for the significant uplift in housing delivery to be realistically delivered. The stepped annual housing requirement is as follows:
 - Estimated Completions (2024/25 to 2025/26): 389 net dwellings per annum
 - Years 1-5 (post adoption) (2026/27 to 2030/31): 485 net dwellings per annum
 - Years 6-10 (post adoption) (2031/32 to 2035/36): 1,255 net dwellings per annum
 - Years 11-15 (post adoption) (2036/37 to 2040/41): 1,025 net dwellings per annum

- 2.3. The housing trajectory sets out a total housing land supply of 14,989 net dwellings over the Plan period against the total housing requirement of 14,603 net dwellings. The total housing land supply over the plan period is constituted from four main sources, with planning permissions (estimated future completions) contributing over 2,000 net dwellings (including an 8% lapse assumption). The windfall allowance provides over 2,000 net dwellings, with housing site allocations from Part B of the Local Plan estimated to deliver over 10,600 net dwellings. In addition, 57 net dwellings will be provided from remaining housing site allocations in the made Harpenden Neighbourhood Plan. The total housing land supply over the plan period includes a 20% buffer in years 1-5 (post adoption) brought forward from years 6-15 (post adoption) and an overall 2.6% buffer against the total housing requirement.

3. Period Covered by the Housing Trajectory

- 3.1. Paragraph 75 of the National Planning Policy Framework (NPPF) 2023 states that “Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period”. The housing trajectory illustrates the Local Plan total housing land supply for the plan period from 1 October 2024 to 31 March 2041, including 15 years from the estimated point of adoption of the Plan in March 2026. It also includes estimated past completions from planning permissions between 2021/22 and 2023/24, as well as estimated future completions between 2024/25 and 2025/26.

4. Non-implementation rate / Lapse assumption

- 4.1. It is common practice to make an assumption regarding the likely rate of non-implementation of planning permissions.
- 4.2. Lichfield’s “Feeding the Pipeline” report¹ of November 2021 supports a lapse assumption of 5%:

“5. A 5% buffer should be applied when relating homes output (i.e. homes being built and completed) to the planning permissions which would be needed to achieve that level of output. This reflects both our findings from Tracking Progress [September 2021], where we concluded between 3% and 5% of planning permissions might be expected to lapse, and the requirement within national policy for Local Planning Authorities to hold a minimum 5% buffer on their deliverable housing supply to ensure choice and competition in the market.”

- 4.3. SADC has used the following methodology to calculate a SADC-specific non-implementation rate / Lapse assumption that is based on local data of historic lapse rates from 2010 – 2020:
- The total number of units from planning permissions that lapsed from April 2013 – March 2020 and which had not been superseded by a subsequent permission on the site as a proportion of total number of units from planning

¹ Feeding the Pipeline, Lichfields (November 2021) <https://lichfields.uk/content/insights/feeding-the-pipeline>

permissions from April 2010 – March 2017 which had not been superseded by a subsequent permission.

- The reasoning for the time period selected is that it avoided including data for permissions due to lapse following the after-effects of the 2008/2009 recession, but ends before the impacts of the COVID-19 pandemic. By avoiding the effects of these highly untypical events, and set over a reasonable period of seven years (2010-2017 and then the three years after), the period chosen provides a sound basis by which to assume the likely future lapse rate for permissions for the new Local Plan. As such, this is considered to be a reasonable basis upon which to assume the likely future rate for the forthcoming Local Plan period.

4.4. Findings:

Measurement	Units
No. of units from planning permissions that lapsed from April 2013 – March 2020 and which had not been superseded	216
Total no. of units from planning permissions from April 2010 – March 2017 which had not been superseded	2,937
Proportion of units from ‘lapsed’ permissions	7.4%

- 4.5. **SADC Approach:** To use a non-implementation / lapse rate of 8% (rounded up from 7.4% as part of a generally conservative approach).

5. Windfall Rate

- 5.1. Windfall sites are defined in the NPPF 2023 Glossary as “*Sites not specifically identified in the development plan.*” Paragraph 72 of the NPPF 2023 states:

“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. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.”

- 5.2. SADC’s approach to calculating the annual windfall allowance has been updated as the Council has progressed its plan-making process over the previous two years. The housing trajectory in the Regulation 18 Public Consultation emerging new draft Local Plan (published in July 2023) set out an annual windfall allowance of 180 net dwellings per annum. This windfall figure was based on an analysis of previous residential completions over a 10 year period from 2010/11 to 2019/20.
- 5.3. The Council then undertook further work on windfall to establish an updated annual windfall allowance figure for the Regulation 19 Publication Local Plan housing trajectory, published in September 2024. This research examined residential completions during a 10 year period from 2013/14 to 2022/23, using the most recently

available data. It concluded that the annual windfall allowance for the Regulation 19 Publication Local Plan housing trajectory should be 145 net dwellings per annum. This figure is lower than the annual windfall allowance of 180 net dwellings per annum in the Regulation 18 draft Local Plan, as it takes account of decreasing residential completions from large sites formerly in use as offices in recent years. A summary table of the findings is included below:

Predicted windfall yield by site type (2013-2023 data):

Type of Site	Yield (pa)
Small sites (1-4 units)	85
Medium Sites (5-9 units)	22
Large Sites (10+ units)	48
Sites with zero or negative net gain (0 to -10 units)	-10
Total	145

- 5.4 The annual windfall allowance of 145 net dwellings per annum begins in year 2 (post adoption) (2027/28) of the Regulation 19 Publication Local Plan housing trajectory. Half of the annual windfall allowance, 73 net dwellings per annum, is included in year 1 (post adoption) (2026/27) of the housing trajectory. The windfall allowance is excluded from 2024/25 and 2025/26 because most homes that are estimated to be completed in this period are likely to already be known.
- 5.5 Overall, there is compelling evidence to justify the inclusion of the windfall allowance in the housing land supply in the Local Plan housing trajectory, as it provides a reliable source of supply. The Council considers that it is taking a relatively conservative approach to windfall in the housing trajectory that is realistic and based on strong recent evidence.

6. Build Out Rates

- 6.1 SADC’s approach to build out rates is generally informed by the methodology in the Lichfields ‘Start to Finish (third edition)’ 2024 report², which examined historic housing delivery in England and Wales (outside London) between 1996/97 and 2022/23. The report assessed the lead in times of housing sites, which refers to the stages in the planning and delivery process that take place before housing is completed. It also analysed the average (mean and median) annual housing delivery of a sample of 179 housing sites of various sizes. To summarise, there is a correlation between lead in times, build out rates and the size of housing sites; smaller housing sites have shorter lead in times and lower build out rates, whereas larger housing sites have longer lead in times and higher build out rates.
- 6.2 The estimated lead in times and build out rates for planning permissions and most of the housing site allocations in the Regulation 19 Publication Local Plan housing trajectory correspond with data from the ‘Start to Finish 3’ report. This evidence supports the Council’s relatively conservative approach to build out rates in the

² Start to Finish (third edition), Lichfields (March 2024) <https://lichfields.uk/content/insights/start-to-finish-3>

housing trajectory, given that the District is a relatively attractive housing market with high demand for new homes. It could be noted that the 'Start to Finish' report states that areas such as St Albans with a higher demand for housing (as measured by higher affordability ratios, of house prices to earnings) had higher average annual build out rates than lower demand areas. National data (2023) shows that out of 318 Local Authority areas in England St Albans has the fifth highest affordability ratio. The 'Start to Finish' report also states that schemes with higher proportions of affordable housing had faster average annual build-out rates (which applies in St Albans), and that schemes with additional outlets had a positive impact on build-out rates (which often applies in St Albans, particularly for Broad Location scale development).

- 6.3 It should be noted that there is an alternative approach to build out rates for the Hemel Garden Communities (HGC) housing site allocations because of the unique scale and nature of the HGC programme (11,000 homes). The findings from the Lichfields report should not be used as a comparison for very large-scale developments such as HGC, as the Lichfields report includes mostly sites of up to 2,000 dwellings and has limited examples beyond 5,000 homes in size. Therefore, it is more appropriate to use data, from a bespoke piece of work, to consider and compare with other very large-scale developments (2,000 + dwellings). The HGC trajectory has been informed by case studies, including Milton Keynes, Ebbsfleet Garden City, Northstowe in Cambridgeshire and Cranbrook, East Devon. The HGC Trajectory, which includes both SADC and DBC site allocations, has been annually reported to Homes England. Stakeholders who have inputted into the HGC delivery rates have included Homes England, Dacorum Borough Council, St Albans City and District Council, Hertfordshire County Council, the former Herts LEP (Hertfordshire Futures), Hyas Associates, the Crown Estate and others.
- 6.4 There are other factors influencing higher build out rates on very large-scale sites, such as Infrastructure Delivery, diversified housing types including provision of affordable housing and Build to Rent. The strategically planned nature and scale of HGC, enables developers to capitalise on economies of scale, improving cost efficiency, while also providing critical infrastructure and community facilities.
- 6.5 The very large scale of HGC offers the potential to provide a broad mix of housing tenures, including owner-occupied, affordable rent, shared ownership, and private rented schemes and Built-to-Rent. By catering to a diverse range of housing types and demographics - such as first-time buyers, families, and older residents - the development can meet the complete range of different housing needs simultaneously. The inclusion of various tenure types diversifies the housing stock and ensures that homes are accessible to a wider range of people, supporting faster absorption and sales rates.

7. Housing capacity

- 7.1. The indicative residential capacity calculations for the majority of sites were informed by the approach in the Council’s Housing and Economic Land Availability Assessment (HELAA) report 2021³ and Urban Capacity Study 2022 (UCS)⁴. The calculations for the Green Belt site allocations are in accordance with the “Estimating Development Potential of Housing Sites” section of the HELAA report (paragraphs 3.29 – 3.34).
- 7.2. The exception to this is at Hemel Garden Communities for the site allocations H1, H2, H3 and H4 where there is a bespoke approach reflecting the unique scale of the project and additional technical work over several years that has been undertaken through the HGC Programme. The HGC Framework Plan and accompanying evidence documents, consider the site constraints and demonstrate compliance of the policy position of making efficient use of land and reflect a minimum overall net density of 40 dwellings per hectare, which is consistent with the approach for other Green Belt allocations.
- 7.3. The calculations for the urban allocations are based on the approach in the UCS, which formed an Appendix to the HELAA report, and later work to ensure an efficient usage of sites and consistency with the HELAA methodology.
- 7.4. For the Green Belt sites, justification for the assumption of 40 dwellings per hectare (dph) density is set out in the HELAA report (paragraph 3.30), with reference to the Council’s previous Residential Density Report 2014. The 40dph is consistent and does not change to account for different density of adjacent development, in order to ensure efficient use of land and to minimise the amount of Green Belt land that is released. This is in line with the approach in the NPPF 2023 which sets out that, where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site.
- 7.5. HELAA report paragraphs 3.31 – 3.33 justify the gross to net ratio used for different sizes of site, to which the 40dph calculation is applied, and Table 1 sets this out as follows:

Table 1: Gross to net ratio

Site Area (hectares)	Gross to net ratio
Sites up to 0.4ha	100%
Sites between 0.4 to 2ha	85%
Sites greater than 2ha	60%

³ HELAA 2021 <https://www.stalbans.gov.uk/sites/default/files/attachments/HELAA%20Master%20Report%20-%20Final%20for%20publication.pdf>

⁴ UCS 2022 <https://www.stalbans.gov.uk/sites/default/files/attachments/Appendix%20b%20-%20Urban%20Capacity%20Study%20Draft%20.pdf>

Source: Based on Urbed - Tapping the Potential: Best Practice in Assessing Urban Housing Capacity: 1999

- 7.6. In terms of the 'Site Area' to use for the Table 1 calculations; the area of some of the allocation sites was reduced to take account of required infrastructure or constraints to development potential, through planning judgment, in line with the approach in HELAA report para's 3.37-3.39. Such constraints may include trees, flood zones, setting of heritage assets, other physical characteristics of a site.
- 7.7. For the urban site allocations (those prefixed 'U' or 'UC'), a similar general approach is taken but with generally increased density; the level of increased density varying depending on the sustainability of location and site context. UCS Table 2 sets out a range of gross to net ratios, within which the appropriate ratio for a specific site would be calculated based on site context and constraints; and UCS Tables 3 and 4 set out a range of potential 'density multipliers' (in dph), based on sustainability of location and site context, with individual site figures based on site context and constraints.
- 7.8. The principles set out in the UCS are followed in the indicative urban site capacities in the Plan, but the densities used to inform the calculations do not precisely follow the ranges in the UCS Tables because of site-specific factors. Densities are calculated on a case-by-case basis, taking account of site context and constraints, and also taking note of the aims of both the NPPF and draft Plan policy DES3 – Efficient Use of Land, which seek to achieve an uplift in density in town and city centres and other locations well served by public transport.

Appendix A: Housing Trajectory

St Albans City and District Council - Regulation 19 Publication Local Plan Housing Trajectory (1 October 2024)

Category / Year	Past Completions			Estimated Completions		Years 1-5 (post adoption)					Years 6-10 (post adoption)					Years 11-15 (post adoption)					Total (2024/25 - 2040/41)
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	
Permissions:																					
Permissions (Past Completions)	314	401	365																		
Permissions (Estimated Future Completions)				470	397	269	310	186	202	110	100	100	100	91	30						
Permissions (Estimated Future Completions) - 8% Lapse Assumption				-38	-32	-22	-25	-15	-16	-9	-8	-8	-8	-7	-2						
Windfall Allowance						73	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145
Harpden NP Site Allocations									9	29	15	4									
Part B – Local Plan Site Allocations:																					
Hemel Garden Communities									100	175	250	315	340	365	365	440	490	500	495	465	4,300
Broad Locations (250+ Homes)											240	500	500	500	500	500	467	358	280	232	4,077
Large Sites (100-249 Homes)												150	150	55	30						385
Medium and Small Sites (5-99 Homes)									152	264	213	155	62	5							851
Green Belt - Previously Developed Land									15	40	40	38	4								137
Sites Within Urban Settlements (HELAA)									30	13											43
Sites Within Urban Settlements (UCS)									185	286	183	83	57	40	26						860
Part B – Local Plan Site Allocations (Total)									482	778	926	1,241	1,113	965	921	940	957	858	775	697	10,653
Annual Housing Requirement				443	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	14,603
Annual Housing Requirement (Stepped)				389	389	485	485	485	485	485	1,255	1,255	1,255	1,255	1,255	1,025	1,025	1,025	1,025	1,025	14,603
Total Housing Land Supply (Including 20% buffer in years 1-5 brought forward from years 6-15 and overall 2.6% buffer)	314	401	365	432	365	320	430	316	822	1,053	1,178	1,482	1,350	1,194	1,094	1,085	1,102	1,003	920	842	14,989