

Note for Inspectors on Windfall Housing Supply

This note sets out further details around South Ribble's windfall forecasting, in response to the Inspectors' requests during the Matter 6 Hearing Session.

The NPPF defines Windfall sites as '*Sites not specifically identified in the development plan*'. By their very nature, windfall supply is difficult to forecast and therefore exclusively reliant upon historic trend data to anticipate future delivery.

To date, windfall supply figures have been provided through the trajectories of the Central Lancashire Local Plan (CLLP), Appendix 3, Housing Trajectories ([CD01](#)) and, latterly, through the South Ribble Housing Land Position Statement 2025 ([MO.05](#)). Approaches to windfall within these documents differ slightly.

The windfall forecasts set out within the CLLP Appendix 3 South Ribble housing trajectories, had taken the same approach as Chorley in adopting the recommendations of the Central Lancashire SHELAA ([HO14a](#)), which looked at historic windfall data over a 14-year period and recommended a 3-year stepped introduction in establishing the windfall allowance (the 'Chorley approach'). However, since publication of HO14a, further work has taken place to refine a windfall allowance and for the reasons set out in [M6.01](#), the Council consider that the 'South Ribble approach' is now a more robust application for South Ribble's windfall forecasting than the 'Chorley approach'.

The Inspectors requested a comparison between the 'Chorley approach' set within the CLLP Appendix 3(CD.01) (from the SHELAA), and the current 'South Ribble approach', set within the trajectories provided through the M6.01 statement and the Housing Land Position Statement (MO.05).

The approach differs for two reasons:

1. The periods of trend analysis
2. The stepping of supply

Time Periods

Note that the windfall data is complicated further by the temporal changes occurring in connection to the plan's period. The CLLP trajectories provide the completions for 2023/24, and then forecasts from 2024/25, with Years 1-5 identified as 2026-2031, as that is the point at which adoption of the plan is expected. Updated trajectory data (in M6.01) provide the completions for 2023/24 and 2024/25 (an additional year of completion data), and then the forecasts from 2025/26, with Years 1-5 identified as 2026-2031, as that is the point at which adoption of the plan is expected. However, within the HLPS, Years 1-5 are identified as 2025-2030, as that is the 5-year (5Y) period at which the supply must be calculated for the purpose of that position statement. Periods change dependent on the purpose of each report and so direct comparison of counts may not always be appropriate.

Summary of differences in the windfall allowance

For ease, Table 1 sets out a comparison of the approaches. These are explained further through this note. However, when compared to the CLLP (Chorley approach), using the South Ribble approach results in a total difference of just **-26 units** in the plan period, but does provide a higher windfall forecasting in the 5-year supply period of **+86 units**. The Council considers this approach to be robust for the reasons explained through M6.01 and as this note continues.

Table 1: Comparison summary of approaches

	SHELAA / Chorley Approach	South Ribble Approach	Difference
Trend analysis period	14 year	14 year & 5 year	
Median windfall delivery per annum	140 (as cited)	131	
Highest windfall delivery in a year	282	149	
Lowest windfall delivery in a year	52	114	
Stepped Introduction	3 year	2 year	
Stepping	0 in Year 1 0 in Year 2 0 in Year 3 83 in Year 4 83 in Year 5 112 in Year 6-12 140 in Year 13+	0 in Year 1 0 in Year 2 60 in Year 3 80 in Year 4 112 in Year 5+ 112 in Year 6-12 112 in Year 13+	
Windfall delivery in 2025-2030 (5YS) <i>(as per the HLPS)</i>	166	252	+86
Windfall delivery in 2026-2031 (5YS) <i>(upon anticipated adoption of CLLP)</i>	278	364	+86
Windfall delivery 2026-2041 (Plan) <i>(upon anticipated adoption of CLLP)</i>	1510	1484	-26

Appendix Table B shows a comparison of the windfall allowance forecasts.

Periods of trend analysis

The windfall figures in the CLLP Appendix 3 South Ribble housing trajectory derive from the Central Lancashire SHELAA (HO14a). This drew its assessments from a 14-year analysis period on small and large sites and was consistent with the methodology for Chorley (also set out within the SHELAA). From this data, the SHELAA calculated a median figure of 140 windfall units per annum for South Ribble¹.

The Council's HLPS (MO.05) has, historically, used a 5-year rolling historic analysis period to forecast anticipated windfalls. This does not separate small and large windfalls, as acknowledged in the SHLEAA (paragraph 4.29)

Whilst a longer historic period (i.e. that within the SHELAA) can even out anomalies in data (e.g. stronger performance (higher windfall numbers) and weaker performance (lower windfall numbers)), it may also mask recent hidden trends / market issues. The highest and lowest windfall completion numbers reported by the SHELAA vary between 52 units (2012/13) and 282 units (2014/15). Paragraph 4.28 confirms that a median was used to account for fluctuations in the data. Notably, however, both ends of the fluctuations occurred more than 10 years ago and so may not accurately reflect more recent trends.

By comparison, the HLPS' rolling 5-year historic analysis sets out that the lowest number of windfall units delivered in that period is 114 (2021/22) and the highest 149 (2020/21), illustrating a more consistent delivery of windfall units with less extreme fluctuations. Through the HLPS data, the 5-year median is 131 windfall units (or a mean of 132 units). There is therefore little difference between the mean or median approach within the HLPS.

Stepping of Windfall Supply

Changes to the approach for windfall allowance and stepping

The SHELAA established a median windfall figure of 140 units per annum. Paragraph 4.28 of the SHELAA explains how the SHELAA then identifies a windfall allowance across the plan period, consistent with the methodology set out for Chorley: *"i.e. the small windfall allowance is applied from year 5 of the plan period (year 3 from the base date of the supply calculation) and the large windfall allowance is applied from year 7 of the plan period (year 5 from the base date of the supply calculation). The large windfall allowance is discounted by 50% until the last 5 years of the plan period when the full windfall allowance is applied."*

This 'Chorley approach' has been applied in the CLLP's trajectories – applying a stepped requirement of 0 units in the first 3 years, 83 units in Years 4 and 5, 112 units in Years 6-12 and then 140 units from Year 13. The stepping takes into account that large windfall sites take longer to come forward (SHELAA, paragraph 4.21-4.23).

¹ Note that the median calculation in the SHLEAA of 140 windfall units per year is incorrect, and, based on the figures provided within the accompanying table, should instead be 113 units. This aligns more closely with the SRBC forecasts of 112 units per year.

The CLLP Appendix 3 table provides its position with the windfall supply stepped from 2024/25 (assuming 0 in Years 1-3). This is shown in Table 2 (below), which also illustrates the position if the same approach (assuming 0 units in Years 1-3) was to be applied to an updated forecast (as Chorley have done in M6.01). If an update were to be applied as Chorley have done, the Year 1 to Year 5 figures would be reduced from 390 (CLLP) to 278, owing to the start of the stepped period moving forward by 1 year.

Table 2: Comparison of windfall allowances

	Pre-Adoption			Years 1-5			Y1-5		
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
CLLP (Appendix 3)	-	0	0	0	83	83	112	112	390
CLLP Updated	→	-	0	0	0	83	83	112	278
M6.01 / HLPS	→	-	0	0	60	80	112	112	364

For comparison purposes, Table 2 then shows the position taken within the HLPS, and M6.01, to revise the windfall assumptions under the ‘South Ribble approach’. This gives a 5-year windfall figure of 364, which is higher than the updated CLLP position would be (278) (by +86 units).

In the Council’s HLPS, the CLLP’s mid-period figure of 112 windfall units has been applied consistently across the majority of the plan period. This is in broad alignment with the lowest number of windfall completions in the 5-year trend data and takes a more cautious approach to forecasting supply numbers, under-, rather than over-, estimating windfall delivery.

Stepped forecasts are revised to approximately half the 112 dpa figure in Y3, two-thirds in Y4, and then the full 112 dpa in Y5. This is broadly similar to the assumptions in the SHELAA, which applies a discount of 50% to its large windfall allowance in the early part of the plan period.

The main difference in approaches is therefore that the South Ribble approach applies a windfall allowance in Year 3.

Justification for the changes

Following further analysis, the Council do not consider that the first three years of the period should be assumed to be 0 units, as the SHELAA proposes. It is considered unrealistic to assume that no other windfall completions will occur other than those already identified in existing supply. The Council acknowledge that some windfall units will be delivered from sites in the extant supply (sites with planning permission), but additional windfall units are expected to come forward from i) those planning applications currently submitted and pending determination, and ii) from planning applications to be submitted in the future, that will receive approval and be delivered so to contribute to windfall completions in those initial years (of each 5-year period).

For example, if the housing position were to be fixed from 1 April of any year, it would be feasible that on the 2 April, permission could be granted for a windfall site, and the

build commenced and completed within 12-18 months. Thus, that site would not be counted in the extant supply at the 1 April but would result in windfall completions within Year 1 - Year 3 to take the windfall completions above 0 units.

In South Ribble, between 1 April and 30 September 2025, over 50 windfall units have been granted permission. These will not have been counted in the extant supply as of 1 April 2025, but the Council would expect a significant number of those to be completed within first three years of the five-year supply period², which the SHELAA/Chorley approach would not account for. This principle can be extended into future timeframes.

The Council's revised approach therefore forecasts 0 units only in Years 1-2 (so taking a cautious approach), calculating the windfall allowance in those years only from extant sites. It then takes a stepped approach to forecasting a windfall allowance from Year 3 from non-extant sites (in addition to any forecasts from extant windfall sites). This approach would provide a total of 252 units (2025-2030) of windfall units in Years 3-5, from non-extant sites. This is higher than had an updated position under the 'Chorley approach' been followed (166 units).

Table 3 (below) shows the two scenarios – 3A following the 'South Ribble approach', and 3B the 'Chorley approach'. Both scenarios show the windfall units expected from extant supply, and those from non-extant sites.

Under Scenario 3B (Chorley), a total of just 36 windfall units are forecast for completion in 2027/28 (deriving from just those sites with planning permission), as that approach does not allow for any non-extant windfall supply in Year 3. However, the [Central Lancashire SHELAA](#) confirms that South Ribble has a long history of applying a windfall allowance of 100 dwellings per annum to its five year (5Y) housing land supply (HLS) forecasts, noting it is consistently monitored and calculated by averaging the previous 5 years of completions. It also confirms that in the last 5 years, windfall supply has been above 100 units each year. Thus, if the 3-year stepped approach was followed, to allow for 0 additional windfall units through future permissions in Year 3, this would forecast a very low windfall allowance (36 units) and prove contrary to historic trends for the borough.

Thus, it is considered more appropriate to allow a two-year stepped approach, to allow for 60 additional windfall units through future permissions in Year 3, to bring the forecasts closer to the 100 unit per annum rate. Scenario 3A illustrates this would provide a windfall allowance of 96 units, and align more closely to historic trends for the borough (whilst still being expected to be an underestimate of potential supply from this source).

The Council still consider the 2-year stepped approach remains overly-cautious. Under the South Ribble approach, the combined windfall forecasts for Y3 and Y4 are still below historic trends of 100 windfall units per annum, and below the 5-year rolling forecasts of the HLPS. It is not considered that there are any factors that would constrain the delivery of windfall. The

² Historical analysis for windfall completions permitted in the 5-year period (2019/20-2023/24) suggests that approximately 27% of windfall units are completed within the first 2 years of receiving planning permission, and 49% within the first 3 years of receiving planning permission.

borough has a long history of delivering windfall units and there are no concerns that the supply of windfall sites will cease.

Table 3: Total windfall forecasts based on extant sites + windfall allowance

3A: Under the South Ribble approach which allows windfalls stepped from Y3. Under this approach, windfall delivery would align much more closely with historic trends.

Windfall supply:	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Extant small sites*	115	57	18	6	0	196
Extant medium sites	16	40	18	3	0	77
Extant large sites	25	23	0	0	0	48
Total from extant sites	156	120	36	9	0	321
Non-extant windfalls	0	0	60	80	112	252
Total windfall	156	120	96	89	112	573

*includes 10% lapse rate on uncommenced sites

3B: Under the Chorley approach which allows windfalls stepped from Y4. Under this approach, windfall delivery in Y3 falls below historic trends.

Windfall supply:	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Extant small sites*	115	57	18	6	0	196
Extant medium sites	16	40	18	3	0	77
Extant large sites	25	23	0	0	0	48
Total from extant sites	156	120	36	9	0	321
Non-extant windfalls	0	0	0	83	112	195
Total windfall	156	120	36	92	112	516

*includes 10% lapse rate on uncommenced sites

Appendix

Table A: Historic windfall delivery

	Historic Delivery													Pre-Adoption		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/2025	2025/26
Historic Delivery (HO14a, page 18/ MO.05)	194	103	52	64	282	143	86	112	233	96	148	114	131	138	128	tbc

Table B: Comparison of forecasts

	Pre-Adoption			Years 1-5					Years 6-10					Years 11-15					Total 2026-2041	Total 2025-2030	Total 2026-2031			
	2023/24	2024/2025	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						
Historic Delivery (HO14a, page 18/ MO.05)	138	128	TBC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CLLP (Appendix 3) - 3 year step		0	0	0	83	83	112	112	112	112	112	112	112	140	140	140	140	140	140	140	140	1650	278	390
CLLP Updated Period - 3 year step			0	0	0	83	83	112	112	112	112	112	112	112	140	140	140	140	140	140	140	1510	166	278
M6.01 / HLPS Updated Period- 2 year step & adjusted forecasts			0	0	60	80	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	1484	252	364