CAB 2062 (LDF)
FOR DECISON
WARD(S): ALL

CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

6 October 2010

LOCAL DEVELOPMENT FRAMEWORK: UPDATE ON EVIDENCE STUDIES

REPORT OF HEAD OF STRATEGIC PLANNING

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RECENT REFERENCES:

CAB 2039 – Local Development Framework: Update on Evidence Studies – 22 July 2010

EXECUTIVE SUMMARY:

This report reviews and updates the current position in relation to the Local Development Framework's (LDF) evidence base and sets out the ongoing programme to progress and complete this work.

RECOMMENDATIONS:

That the further evidence-gathering work programme referred to in this report be noted and the publication of the recently completed studies (Section 4 of the report) on the Council's web site be agreed.

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REPORT OF HEAD OF STRATEGIC PLANNING

DETAIL:

1 Introduction

1.1 During the preparation of the City Council's Local Development Framework (LDF), a detailed programme of evidence-gathering has been in progress and has helped to inform discussion, consultation and analysis and, in a wider sense, underpin the evolution of the Core Strategy.

1.2 A large number of studies have already been completed. However, further studies are still on-going and new work may be undertaken in the next few months. This report is the second report (following the previous report CAB 2039(LDF) 22 July 2010) which aims to keep Members informed of new pieces of work that will contribute to the LDF evidence base, as and when they are completed.

2 Existing Evidence Studies

2.1 A number of evidence studies have already been completed and subsequently published by the City Council, at earlier stages in formulating the Core Strategy. Generally, these studies are still up to date and, therefore, continue to provide the robust background evidence needed to support the onward formation of development policy. These studies are listed on the Council's web-site and can be downloaded from the following link: Winchester District Evidence Base

2.2 There are, however, some studies which were completed some time ago and, as a result, contain elements which are not fully up to date. In other instances, there may have been external changes affecting the scope of a previously conducted study, or a need has arisen for additional information to be taken into account or analysed from a different perspective. Occasionally a need may arise for a completely new area of work to be produced. It is also possible that changes being brought about by the new Government with regard to the planning system and localism in general, may require further studies and evidence gathering to be undertaken before the Core Strategy and other LDF documents can be finalised.

3 Update on Current Studies

3.1 The table below provides a list of studies completed since the last update report and studies which are programmed for completion in the near future.

Title	**Scope of study and author**	**Underway**	**Complete by:**
Winchester Housing Market Assessment Update	Update and compilation of Central Hampshire and South Hampshire SHMA by DTZ consultants	Complete – see below	September 2010
Infrastructure Study	New Technical Work. Information regarding infrastructure provision/ requirements in District. Produced by WCC Officers with input from infrastructure providers	Complete - see below	Autumn 2010
Retail and Town Centres Study Update	Update of 2007 Study. By NLP consultants	Complete – see below	September 2010
Bushfield Camp	Evidence Studies, relating to: • Highways impacts/mitigation • Biodiversity management • Recording archaeological findings By Terence O'Rourke consultants • Economic viability update By Vail Williams for WCC	Draft reports in preparation or under consideration	Autumn 2010
Rural Masterplanning /Settlement Hierarchy	New work, enabled by Commission for Architecture and the Built Environment (CABE)	Work in progress	End of 2010
Strategic Housing Land Availability Assessment (SHLAA)	Update and site sieving. By WCC officers in-house.	Work in progress	Nov 2010
Local Facilities Survey	Update to feed into CABE rural masterplanning work. By officers in-house.	Work in progress	Autumn 2010
Winchester Employment Study	New Technical Work, building on District-wide study. By WCC officers in-house.	Work in progress	Late 2010

3.2 Since the last report to Members in July (CAB 2039 refers) three more studies are now in a position to be put on the Council's website for information and consultation. These studies are briefly summarised in Section 4 below.

3.3 The Bushfield Camp economic viability study update should be finalised soon and the Winchester Employment Study is now expected to be completed in late 2010. Work on the SHLAA is now being carried out in conjunction with the local facilities survey and will help inform the CABE Rural Masterplanning work. The SHLAA should be completed by late autumn 2010 and will be reported to the next meeting of this Committee.

4 Summary of New Studies

Winchester Housing Market and Housing Need Assessment Update

4.1 This study by consultants DTZ follows on from their previous work on the 2007 Central Hampshire Strategic Housing Market Assessment (SHMA) and the 2005 and 2006 South Hampshire HMA. The purpose is to update the previous work and provide a greater focus on the Winchester District as an entity, as distinct from the Central Hampshire and South Hampshire areas.

4.2 The study update aims to inform the development of policy and the concluding chapter (‘Policy Implications’) is attached as Appendix A of this report. The study provides an analysis of likely demand for housing in the District, taking account of factors such as demographics, household composition and income. The need for affordable housing is assessed, both in terms of intermediate and socially rented affordable homes. Based on analysis of housing waiting lists – including those in highest priority - the report concludes that affordable housing need remains very high (estimated at a minimum of 375 a year) and recommends that Winchester should aim for the following proportions of new affordable housing completions:

- Up to 20% 1 bed properties
- Around 20-40% 2 bed properties
- Around 50% 3 bed or larger properties

4.3 The study does not seek to determine a new housing requirement for the District, having been commissioned prior to the abolition of the South East Plan. It does however contain much useful and up to date information on the local housing market, housing needs, etc which can be used to help inform work on housing provision and the ‘Blueprint’ consultation. It is therefore important that it is published as soon as possible.

Retail Study Update

4.4 The Retail and Town Centre Uses Study 2007 (Nathaniel Lichfield and Partners) assessed the demand for future retail and town centre uses in Winchester District up to 2021, and the capacity of centres to accommodate future requirements. NLP have carried out an update of that study, taking account of the changes that have occurred since 2007, particularly the recession, and the availability of more up-to-date data, projecting forward to 2026.

4.5 The 2010 update reflects the result of the economic changes that have occurred since 2007 and takes account of recent retail developments that have occurred or are in the pipeline. The study provides revised floorspace projections for the major centres in the District and also re-assesses the availability of sites in these areas. Due to the uncertain nature of possible developments, the report tests scenarios involving various options for development such as with/without major development at Whiteley, Barton Farm or the Strategic Development Areas.

4.6 In addition to updating the capacity analysis, the study makes recommendations regarding possible policy wording for town centre uses and the definitions of town centres and shopping areas for the LDF in the light of PPS4, which was published in 2009. The study also makes recommendations about the thresholds at which retail impact studies should be sought for applications. The conclusions of this study are set out as Appendix 2 of this report.

Infrastructure Study

4.7 This study sets out the range of infrastructure that may be required to support proposals in the LDF. The study collates the plans and proposals of organisations and service providers. It is recommended that the study is published for consultation alongside the ‘Blueprint’ exercise which is being conducted this autumn. This will provide useful background information for the public and stakeholders and allow for the available information to be added to where necessary.

4.8 The information contained within the study is necessary to underpin the subsequent development of a delivery plan for the Core Strategy. The details of the Infrastructure Study are contained within a separate report on this agenda (CAB 2063 refers).

5. Conclusion and Recommendation

5.1 The evidence referred to above is necessary to inform the development of the LDF evidence base and the progression of the Core Strategy and future DPDs.

5.2 It is, therefore, recommended that Committee should note the further evidence study work programme referred to in this report and agree to the publication of the recently completed SHMAA and Retail Study Update, insofar that they will form part of the LDF evidence base. The Infrastructure Study is subject to a separate report which recommends its publication for consultation.

OTHER CONSIDERATIONS:

6. SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

6.1 The Sustainable Community Strategy promotes economic prosperity and an inclusive society, which include providing employment opportunities; housing to meet people’s needs and evenly distributed access to important services and facilities. The LDF is a key mechanism for delivering various outcomes of the SCS and progressing this is a corporate priority and project within the Corporate Business Plan.

7. RESOURCE IMPLICATIONS:

7.1 No additional resources are required as a result of the recommendations of this report, as resources are already allocated to progress the LDF and the formation of its evidence base.

8. RISK MANAGEMENT ISSUES:

8.1 The formulation of a robust, transparent and up-to-date evidence base is a key element in the preparation of the Council's Local Development Framework and the development of future planning policy for the District. Failure to do this may result in the Council's LDF being found to be 'unsound'. The on-going preparation of evidence for the LDF is key to minimising this risk.

BACKGROUND DOCUMENTS:

None

APPENDIX:

Appendix 1: Winchester Housing Market and Housing Need Assessment Update August 2010 Policy Implications.

Appendix 2: Retail Study 2010 Update Conclusion and Recommendations

8. Policy Implications

Key Policy Themes and Principles

8.1 The following policy themes follow from the evidence presented in this report and also relate to the key requirements of PPS3 and Government's housing policy[9]:

- Ensuring the delivery of new housing.
- Influencing the housing mix (type and size) of market homes.
- The need for affordable housing and the size of homes required.

8.2 The purpose of this Winchester specific SHMA is to analyse evidence at the sub-district level to complement the evidence of strategic housing demand and need in the South Hampshire and Central Hampshire SHMAs. The council wish to develop policies which reflect two overarching considerations:

- The strategic needs of the authority and wider housing market(s) to which it relates.
- The characteristics and needs of the sub-district areas within Winchester.

8.3 These twin considerations aim to ensure that the nature of housing development on Winchester's development sites over the plan period respond to local characteristics as well as the authority's strategic needs. The second point, however, raises questions about how far the Council wish to try and create a more balanced mix of households or types of homes through new development, particularly where concentrations of particular groups, tenures or types of housing can be identified.

Overall Housing Provision

8.4 There is considerable uncertainty about the overall level of housing that local authorities need to plan for since the Government set out its intention to abolish Regional Spatial Strategies. It is reasonable to assume that local authorities will need to adopt some sort of target or housing allocation as a basis on which to plan, allocate sites and deal with applications for development. Guidance on the considerations local authorities should take into account in establishing their local allocation in the future will be provided by the Government in due course.

8.5 It is important to keep in mind that in order to be able to maintain the delivery of affordable housing and influence its type and size, Winchester City Council needs to secure the delivery of housing overall. This is made more challenging by uncertainty in the planning system, in addition to the housing market downturn which has made new housing development more difficult to deliver.

[9] At the time of writing, following the change of government in May 2010, the future shape of planning for housing policy is uncertain. The policy implications outlined in this section are therefore shaped by the evidence in the SHMA and the existing policy framework at the national and local level.

8.6 Winchester City Council will need to bear in mind that the mix of sites allocated in development plan documents will influence the mix of new housing developed – market and affordable. This will also be important to maintaining delivery in the downturn, when developers may need to change the mix on sites in order to secure their viability and whilst the market for apartments remains challenging as a result of the drop in buy-to-let investors and off plan sales.

Consider Planning for Growth of the Private Rented Sector

8.7 Evidence in this SHMA suggests that a significant proportion of households within Winchester will be unable to access home ownership on the basis of their household incomes. Although demand for new homes within Winchester will arise through in-migration as well as the needs of existing residents, this SHMA suggests that growth in the proportion of home owners may have peaked as a result of long term declines in affordability and fundamental changes in the availability and cost of credit following the global credit crunch and housing market downturn. The private rented sector has grown in recent years and further growth of the sector seems inevitable given the limits to owner occupation and constraints on public sector funding of subsidised accommodation (social rented and intermediate homes).

8.8 Winchester City Council may wish to consider whether to put in place policies or activities to actively facilitate and support the private rented sector in the future. There are two main reasons why support would be justified:

– As a means of **securing the delivery of new homes** through 'build to let' and funded by institutional investment in the private rented sector. There is a significant level of funding which could be directed from institutional investors (pension funds etc) into new housing development given the right level of returns and appropriate development schemes. This is the focus of the HCA's Private Rented Sector Initiative.

– As a means of **addressing needs of intermediate households**. Evidence in this SHMA suggests that there is significant overlap between those households who are interested in or who have accessed low cost home ownership products (subsidised by Government) and those households who live in the private rented sector (unsupported by Housing Benefit). In an era of constrained resources and funds for affordable housing the encouragement of the development of a high quality private rented sector could increasingly become the means by which the needs of intermediate households are met.

8.9 Whilst it is too early to tell whether institutional investment in the private rented sector will take off, and it is likely to be focused in London initially, Winchester City Council may wish to set out in policy (perhaps in relation to specific sites) that it will consider build to let schemes favourably, either as part of a large development scheme or on a scheme exclusively designed for private renting.

Influencing the Mix of New Homes

8.10 PPS3 states that local authorities should plan for market housing by setting out the **profile** of households likely to require market housing. Developers are then expected to respond by bringing forward developments that meet these broad requirements. Drawing on the evidence presented in previous sections of this report, the following points can be made about the profile of households requiring market housing in Winchester as a whole:

– In Winchester, around 70% of households could afford to access market housing (to rent or buy) based on their current incomes. Within this, we estimate that 16% could access home ownership and 54% could access the private rented sector without assistance (and by implication some of these could afford intermediate rent and sale products).

– This is an estimate since some additional households may benefit from financial support from their families to access home ownership. Furthermore, in-migration is likely to boost the demand for market housing since many of these households are affluent, or have access to equity having moved from more expensive areas, including London.

– In the past, growth in population Winchester has been experienced predominately amongst the older age groups (45-64 and 75+). But over one quarter of Winchester's households are families with children and there has been growth in the population of children over the last 10 years. There is a lower proportion of family households in the Central Hampshire part of the District (the City and rural hinterland) which has a stronger bias towards older households (single and couples).

– Single households (young and older people) are forecast to grow at the greatest rate over the next 15 years and Winchester has a relatively high proportion of single older people when compared to the Central and South Hampshire markets. Despite the greater growth amongst single households, the majority of households living in Winchester in 2026 will contain 2 or more people. These will include families with children and couples, including those whose children have recently left home.

– Evidence presented in this report suggests that the relationship between households and dwellings in the market sector is complex. Demographic factors alone do not drive demand for the type and size of housing required and in fact household incomes and life stage are more important determinants in the market. The majority of single person households in the market sector occupy homes with 2 or more bedrooms. This is particularly the case amongst older households.

– The implication for Winchester is that 49% of the anticipated household growth over the next 15 years (to 2026) is likely to result in demand for homes with 3 or more bedrooms. DTZ estimates suggest around 23% of new households will occupy 1 bedroom homes and around 28% will occupy 2 bedroom homes.

8.11 The Central Hampshire SHMA suggested that addressing on broad imbalances in the stock of housing within the market would be appropriate but that local authorities should not seek to *prescribe* the type and size of homes that the market provides. This seems to be the message in PPS3, which puts the onus on developers to respond to market demand, though this needs to be consistent with the profile of households the local authority identifies.

8.12 It is also important that the nature of development on specific sites need to be considered within the context of existing stock and the characteristics of the surrounding neighbourhood. These considerations should include the following:

- Stock mix in the authority area as a whole which, although relatively balanced, contains a high proportion of large properties in the suburban and rural areas and concentration of smaller properties in the urban area.

- Tenure mix and whether there is a concentration of a particular tenure of housing that would benefit from diversification or greater choice.

- Household characteristics and whether there is a bias towards younger or older households, families or sharers and how the new development will fit into this context

- Economic performance and whether there are any issues around deprivation and regeneration which need to be taken into account in terms of the type of housing that is developed

- Site specific viability and development context and whether a particular mix of housing is important to ensure the development 'stacks up'

8.13 Delivery of a different housing mix will be challenging unless development sites allocated for housing include a mix of types, sizes and locations. To some extent, site types, sizes and locations will influence the type of product that can be developed.

The Need for Affordable Housing

8.14 Analysis of house prices, rents and households incomes within Winchester suggests that a significant proportion 30-45% of households are unable to access the market (to rent or buy) within the local authority area.[10]

8.15 The Housing Need Assessment Update demonstrates the need for around 375 affordable homes each year to address the backlog of housing need and the likely needs of newly arising households. This figure takes into account affordable housing supply within the existing stock as households transfer and properties re-let but excludes future affordable housing supply.

8.16 In addition to the households identified as in need of affordable (social rented) housing, there are over 500 households within Winchester who have registered as actively interested in intermediate affordable homes. DTZ's analysis of the relationship between household incomes and house prices in Winchester suggests that up to 54% of all households in the authority area can afford to rent in the open market but cannot afford to buy a home. This suggests there is significant potential demand for intermediate products such as low cost home ownership, though it is important to keep in mind that many of these households have the choice of renting in the private sector.

[10] See Section 6 – 30% are estimated to be priced out of the rental market and a further 15% are on the margins of affording open market rents

8.17 It is important to note that the majority of those Winchester households who have registered as interested in intermediate housing products do not have a deposit which would be sufficient to purchase a lower quartile priced property. Just over half of households have some savings, though in many cases these would be insufficient for a deposit, even on a shared ownership property. This suggests that low cost home ownership products which provide the option of renting whilst saving for a deposit (eg Rent to HomeBuy or similar schemes) could provide intermediate households with suitable route into home ownership in the current economic environment. Such products are, however, more costly to deliver in the short term than shared ownership or shared equity schemes.

8.18 The Council may also wish to consider targeting intermediate affordable housing at those households willing and able to move out of social rented accommodation. 8% of households interested in intermediate housing within Winchester currently live within social rented accommodation. Whilst the numbers are small at present, activities targeted at such households to support a move into low cost home ownership or intermediate renting would release social rented accommodation and enable the Council to better address priority housing needs.

Size Mix of Affordable (Social Rented) Homes

8.19 Local authorities have greater leverage over the type and size of homes households in the social rented sector can access. For this reason, PPS3 asks local authorities to set out the size of affordable homes required in their local development documents. This issue was considered in the Central Hampshire SHMA and the points made in this report are consistent with the approach used in the original SHMA, though it has been possible to update data and expand analysis on the nature of housing need as a result of the implementation of Winchester's new housing register.

8.20 There are three key factors that need to inform the type and size of affordable homes that the authorities seek through new housing development:

- The overall scale of housing need within Winchester exceeds what is likely to be delivered through new development which means that the allocation of homes in the social rented stock is likely to be focused on those in priority need.
- The stock of social rented accommodation is biased towards smaller properties (when compared to the market sector) and the pattern of re-lets is biased towards smaller properties (1 and 2 bed homes) where turnover is greatest.
- The majority of affordable housing delivered is dependent on the delivery of market homes. Thus, the success of affordable housing delivery is inherently tied to market development and this includes the mix of homes delivered. If the majority of market housing developed is small flats and houses then the authorities are only likely to secure small affordable homes.

8.21 There are larger numbers of smaller households on Winchester's total waiting list, indicative of a broad split as follows:

- 65% 1 bed homes

- 29% 2 bed homes
- 6% 3 bed or larger

8.22 However, amongst those households in highest priority housing need (Bands 1 and 2) the profile of homes required is very different, indicative of a broad split as follows:

- 50% 1 bed homes
- 22% 2 bed homes
- 28% 3 bed or larger

8.23 This suggests a much higher requirement for 3 bed and larger properties than evident from the headline waiting list figures. It is also interesting to note that this split broadly mirrors the estimates of the size of households required to accommodate future household growth in the City (discussed in Section 2).

8.24 However, relets within the stock are biased to smaller homes which means that those households needing larger homes (and many of these may be in higher priority need as families with children) will face a longer wait to be housed.

8.25 Furthermore, over the last 3 years, the majority of new affordable homes have been delivered as 1 and 2 bed properties (and the vast majority of these have been flats). However, in the most recent year (2009/10) a greater proportion of 3 and 4 bedroom affordable properties have been delivered, reflecting the Council's recent efforts to secure a greater supply of larger affordable homes.

8.26 DTZ suggest that Winchester City Council continue to prioritise the provision of 3 bed or larger homes within new affordable housing completions. Based on housing need by size, the pattern of relets and completions of affordable housing over the last 3 years, DTZ suggest that Winchester aims for:

- Up to 20% 1 bed properties: reflecting continued need for smaller properties but that relets within the existing stock are biased towards smaller accommodation so these needs can be met more easily. These properties can only be delivered as flats and therefore do not give much flexibility to cope with the changing development climate.
- Around 20-40% 2 bed properties: broadly consistent with the proportion of households in need who require 2 beds and these properties provide more flexible accommodation, being able to meet the needs of a wider range of households. They can also be provided as houses or flats, giving more flexibility to cope with the changing development climate.
- Around 50% 3 bed or larger properties: there are relatively substantial numbers of households needing larger properties and they often wait longer to be household because of limited supply. Increasing the proportion of larger properties would help to rebalance the social rented stock and allow the Council to meet housing need more effectively in the future. It would be worth specifying that 10% or so of these larger properties should be 4 bed homes, reflecting the need of priority households and limited supply to meet this need.

8.27 Provision of larger properties will require some consideration since it may mean that fewer affordable homes are delivered on some sites than if the focus was on smaller dwellings. But the provision of larger dwellings may allow the Council to create a chain of lettings within the social rented stock so the overall impact on housing need might be greater than the number of dwellings suggests. Despite the recession Winchester Council has negotiated a consistent supply of larger homes through its S106 negotiations and has not had to compromise on the overall number of units delivered. It is highly likely that the HCA will place more stringent grant conditions on funding and will require Local Authorities to insist on nil grant units being delivered through the S106 process on Greenfield sites. This in turn may trigger developers to try and negotiate more profitable densities and mixes of housing as well as reducing the requirement for Affordable Housing.

8.28 Clearly these indicative proportions need to be balanced against the viability of development and the availability of public subsidy, but would have the following benefits:

- It would give the authority the potential to create a chain of lettings within the social rented stock by allowing those occupying smaller properties to move up, allowing the Council to accommodate more households.

- It would promote more flexible accommodation in longer term, capable of housing a range of different households and not just the smallest households.

- The affordable housing stock is biased towards smaller properties and securing a larger mix of new affordable homes would help to diversify the stock

8.29 DTZ recommend that the Council also consider setting out criteria in their affordable housing policies alongside any specific targets for different types and size of social rented homes. Fixed targets are less capable of being reviewed in response to changing circumstances so these criteria will provide the authority with the ability to respond to changing circumstances and site specific factors. Criteria set out in policy could include:

- The characteristics of priority households on the authority's waiting list

- The size of homes in the existing social rented stock

- The pattern of re-lets in the social rented stock

- The type and size of recent completions and losses through demolition or Right to Buy

8.30 Such a policy approach would need to be accompanied by engagement with developers, as well as housing associations, in advance of applications being submitted for development.

7.0 Conclusions and Recommendations

7.1 This report provides an update of the retail capacity assessment district wide needs assessment for retail and commercial leisure uses in Winchester District and should be read alongside the 2007 Study. The principal conclusions of the analysis contained within this study are summarised below

Meeting Shopping Needs in Winchester

7.2 PPS4 indicates that local planning authorities should assess the need for additional floorspace over the plan period, and for five year periods within it. When planning for growth in their town centres, local planning authorities should allocate sufficient sites to meet the identified need for at least the first five years from the adoption of their development plan documents; although for large town centre schemes a longer period may be appropriate to allow for site assembly.

7.3 Meeting the projections between 20010 and 2016 remains the priority. Floorspace projections should not inhibit competition between retailers when located within centres, subject to the consideration of scale and impact. However, if an out-of-centre proposal exceeds the floorspace projections then the need for the proposal and impact will need to be carefully considered.

7.4 Long term forecasts up to 2021 and 2026 may be more susceptible to change, due to unforeseen circumstances. Projected surplus expenditure beyond 2016 is attributable to projected growth in spending per capita, extrapolated from past growth projections, as well as population growth. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should be monitored and kept under review. The implications of major retail development within and surrounding the District should also be monitored along with the affect proposals may have on the demand for additional development in Winchester.

Retail Floorspace Projections

7.5 The expenditure projections in this study take into account home shopping made through non-retail businesses, because special forms of trading have been excluded. The study assumes that special forms of trading will increase in the future, including the growth of internet shopping. However, the impact of Internet growth on the demand for retail floorspace is unclear. Some retailers' home delivery and Internet services utilise existing stores, therefore, Internet sales will not always significantly reduce the demand for shop floorspace. In addition, some of the growth in Internet sales may divert trade away from mail order companies rather than retail operators. Overall the long term impact of home shopping on expenditure projections is uncertain.

7.6 The quantitative and qualitative assessment of the potential capacity for new retail floorspace suggests that there is scope for new retail development within

Winchester District. The baseline projections suggest new floorspace (including commitments) should be distributed as follows:

Table 7.1: Class A1 Retail Floorspace Projections (Baseline)

Location	Floorspace sq.m. net (sq. ft net)		
	Convenience	Comparison	Total
Up to 2013 (taking account of commitments)			
Winchester Urban Area	2,179	4,462	**6,641**
Winchester Rural Area	1,234	1,133	**2,367**
Whiteley Village	4	860	**864**
Total	**3,417**	**6,455**	**9,872**
Up to 2016 (taking account of commitments)			
Winchester Urban Area	1,900	3,065	**4,965**
Winchester Rural Area	1,377	1,648	**3,025**
Whiteley Village	125	2,725	**2,850**
Total	**3,401**	**7,438**	**10,840**
Up to 2021 (taking account of commitments)			
Winchester Urban Area	2,455	11,208	**13,663**
Winchester Rural Area	1,571	2,561	**4,132**
Whiteley Village	175	5,523	**5,698**
Total	**4,201**	**19,293**	**23,493**
Up to 2026 (taking account of commitments)			
Winchester Urban Area	2,783	19,703	**22,486**
Winchester Rural Area	1,686	3,522	**5,208**
Whiteley Village	216	8,614	**8,830**
Total	**4,686**	**31,840**	**36,524**

7.7 The baseline projections do not take account of the population increase within the study area as a result of the Fareham and Hedge End Strategic Development Areas or other major additional residential development in the study area (Whiteley, Barton Farm and West Waterlooville). The difference between the baseline projections, the SDA scenario and the three development scenarios are relatively insignificant bearing in mind the long term nature of the projections.

Changes Since 2007

7.8 The updated convenience retail floorspace projections are slightly higher throughout the period up to 2026 than the projections within the 2007 Study. However, the comparison retail floorspace projections are slightly lower than the 2007 Study.

7.9 The baseline convenience floorspace projections to 2016 are now marginally higher (3,401 sq m net compared with 2,569 sq m net). This increase is due to a number of factors including an increase in convenience retail expenditure per capita figures for the study area and average sales densities of food store retailers not growing at the same rate as inflation.

7.10 Expenditure for comparison goods is lower than previously projected due to the effects of the recession. Comparison floorspace projections to 2016 are now lower (7,438 sq m net compared with 11,268 sq m net). This decrease is due to lower forecast growth in expenditure per capita.

Commercial Leisure Development

7.11 The provision of leisure, entertainment and cultural facilities within the District is limited but reflects the size of its catchment and the fact that residents also have good access to facilities in neighbouring towns.

7.12 There is some potential to improve facilities in Winchester. The other towns in the District may only be capable of accommodating small scale commercial leisure facilities. In Winchester, commercial leisure could be accommodated within town centre development if sites are available.

Accommodating Future Growth

7.13 The sequential approach suggests that designated town centres should be the first choice for retail development. In considering this important issue the following factors should be assessed.

- What is the locational area of need the development seeks to serve and what existing centre could potentially fulfil the identified area of need?
- Is the nature and scale of development likely to serve a wide catchment area e.g. a large part of Winchester District?
- Is a site available in one of the designated centres, including vacant premises and will this site meet the identified need?

7.14 All development should be appropriate in terms of scale and nature to the centre in which it is to be located.

7.15 The existing stock of premises may have a role to play in accommodating projected growth. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase its turnover to sales floorspace densities. A growth rate of 2% per annum is assumed for comparison floorspace after 2011, and 0.3% per annum for convenience floorspace. The adoption of these growth rates represents a balanced approach. The floorspace projections reflect these assumptions. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.

7.16 The proportion of vacant shops in Winchester town centre (8.7%) is relatively low when compared with the Goad national average (12.45%). Vacant premises are unlikely to accommodate a significant amount of growth, because all centres will have a certain level of vacant premises at any given time, and this reflects the normal churn of occupiers.

Scale of Development

7.17 Large-scale development which serves a significant part of the District should be concentrated within Winchester City Centre.

7.18 Winchester is the largest centre and should continue to act as the principal centres within the District. Centres in Bishop's Waltham, New Alresford, Whiteley and Wickham should complement Winchester by providing for main and bulk convenience food shopping and a reasonable range of comparison shopping facilities and other services. Some forms of development may be more appropriate in smaller centres, if there are localised areas of deficiency. The key issues are the nature and scale of development proposed and the catchment area the development seeks to serve.

7.19 In general development within centres should primarily serve the settlement within which it is located, and smaller nearby settlements which do not have a centre. Local shops in the main settlements or villages should primarily serve walk-in catchment areas.

Centre Boundaries

7.20 PPS4 states that retail development should be concentrated within the primary shopping area, which will generally comprise the primary and secondary frontages. Primary frontages are likely to include a high proportion of retail uses. Secondary frontages provide greater opportunities for a diversity of uses.

7.21 In our view, the PSA's, as defined in the Local Plan, are inconsistent with the definition within PPS4 and are instead consistent with PPS4's definition of Primary Shopping Frontages. This inconsistency could cause confusion in terms of interpretation of the sequential approach.

7.22 We therefore recommend the following:

1. The Centre Boundaries should remain unchanged and a future replacement Policy SF.1 should indicate that leisure and main town centre uses (excluding retail) will not be required to comply with the sequential approach in this area;
2. The Primary Shopping Areas should be renamed the Primary Shopping Frontages (PSF) to avoid confusion with the PPS4 definition. Within the PSF Policy SF.5 should continue to protect Class A1 uses.
3. The Council should consider defining Secondary Shopping Frontages, where more flexibility will be permitted but where Class A (1 to 5) will be protected. For Winchester this could include Southgate Street, The Broadway and Jewry Street.
4. Future policy should indicate that the Primary and Secondary Frontages represent the Primary Shopping Areas, where retail development will be focused. A future replacement Policy SF.1 indicates that retail uses will not be required to comply with the sequential approach in this area.