

CABINET13 DECEMBER 2006ASSESSMENT OF THE NEED FOR LOCAL (HOUSING) RESERVE SITE RELEASES 2007REPORT OF THE CHIEF EXECUTIVEContact Officer: Steve Opacic Tel No: 01962 848101RECENT REFERENCES:

CAB1280 – Supplementary Planning Documents on Local Reserve Sites and Infilling Policy – Proposed Adoption (Cabinet 26.10.06).

EXECUTIVE SUMMARY:

Policy H.2 of the Local Plan Review allocates 4 'Local Reserve Sites' which are to be released only if monitoring indicates that they will be needed to meet the 'baseline' housing requirement for the District. The possible need for one or more of the sites to be released is to be reviewed annually, alongside the Council's Annual Monitoring Report. Appendix 1 is the assessment for the current year and it is recommended that this be published for consultation in January 2007. Following this, Cabinet will need to decide whether to release any of the Local Reserve Sites, taking account of the representations received.

RECOMMENDATIONS:

- 1 That Cabinet agrees to publish the attached 'Assessment of Need for Local Reserve Site Releases 2007' for public consultation.
- 2 That the results of consultation be reported back to Cabinet, along with a recommendation as to whether any site releases are needed in the coming year.
- 3 That any formal review of the Local Plan Review's policy H.4 be undertaken as part of the planned programme of work on the Council's Local Development Framework.

CABINET13 DECEMBER 2006ASSESSMENT OF THE NEED FOR LOCAL (HOUSING) RESERVE SITE RELEASES 2007REPORT OF THE CHIEF EXECUTIVEDETAIL:1. Introduction

1.1. The Winchester District Local Plan Review 2006 includes a policy (H.2) allocating four sites as 'Local Reserve Sites', as follows:

• Pitt Manor, Winchester	200 dwellings
• Worthy Road/Francis Gardens, Winchester	80 dwellings
• Little Frenchies Field, Denmead	70 dwellings
• Spring Gardens, New Alresford	35 dwellings

1.2. Policy H.2 makes clear that these sites are only to be released if needed to meet a potential shortfall of housing to meet the Structure Plan's 'baseline' housing requirement for the District. The Local Plan Review therefore requires that housing provision and land availability is monitored regularly, to assess whether one or more of the Local Reserve Sites should be released. This is to be done in conjunction with the production of the Annual Monitoring Report (AMR), in December of each year.

1.3. The AMR (see report CAB1362 on this Agenda) includes an assessment of housing provision and a 'trajectory' of expected future development rates. A more detailed Assessment has been undertaken to provide a critical examination of this information in order to reach a conclusion as to whether any of the Local Reserve provision needs to be released in the coming year. This Assessment is attached at Appendix 1. The structure and methodology of the Assessment draws on the Strategic Planning Authorities' series of 'H4 Monitoring Papers', which are a proven method of monitoring, so as to achieve consistency.

2. Content of the Assessment

2.1. The Assessment uses two different methodologies to determine the predicted level of housing development in the District for the remaining Structure Plan period to 2011. These are based on the methods used by the City Council in its Urban Capacity Study, and the County Council in its H4 Monitoring reports. Both methodologies conclude that there is likely to be an 'over-supply' of housing, ranging between 26% and 62% of the remaining Structure Plan requirement.

2.2. This suggests that there is not likely to be a need to release any of the Local Reserve Sites. However, to ensure that the Assessment is robust, 'worst case' scenarios have been tested by discounting the estimated supply to take account of the potential risk of non-delivery on some sites. It must be stressed that this does not mean that the authorities believe there will be non-

delivery, but the discounting is applied to test the robustness of the projections and the impact of reducing the housing supply from various sources. Even after the supply figures are discounted, future provision is expected to be 9% - 36% above the remaining Structure Plan requirement.

- 2.3. Given the range of methodologies and level of discounting applied, this confirms that the City Council can currently be very confident that the Structure Plan requirement can be met without the need to release any LRSs. This situation may change over time, hence the reason for identifying the LRSs and for updating this Assessment annually. Any 'over-supply' will contribute towards meeting the requirements of the South East Plan, which covers the period 2006-2026.

3. Review of the Local Reserve Sites Policy (H.4)

- 3.1. When it adopted the Local Plan Review in July, the Council asked for a report to be brought to it on the process for reviewing the Local Reserve Sites policy. As noted above, the conclusion that there is likely to be an over-supply of housing in relation to the Structure Plan requirement represents a 'snapshot' of the situation at a specific point in time. It is, therefore, important that the situation continues to be monitored annually, even if it currently seems unlikely that any of the Local Reserve Sites will be needed in the Local Plan Review period.
- 3.2. In order to change or delete the Local Reserve Sites policy it would be necessary to promote a formal amendment to the Local Plan Review. Because this would involve the key topic of housing development, it is unlikely that this could be promoted without revisiting the major issue of housing provision. Any such 'revisiting' would need to take account of the latest Government advice, which has just been formalised in a new PPS3 published on 29 November 2006. The PPS3 advises that local authorities must identify deliverable sites for at least 5 years' worth of housing land, with a further identified provision for future development over at least the next 5 years. This would mean looking well beyond the current Local Plan Review's end-date of 2011.
- 3.3. No provision is made within the Council's Local Development Scheme (LDS) for such a review. Even if it were technically possible to pursue a review (which would need to be the subject of discussion with the Government Office and possibly legal advice), this would be at the expense of work that is about to commence on the Local Development Framework Core Strategy, unless considerable additional resources were deployed to undertake these consecutively. The LDS currently proposes that the LDF Core Strategy will be produced first, followed by the Development Provision and Allocations document. Between them these documents will need to review the strategy for housing provision and any site allocations. The Core Strategy is due to be adopted in 2009 and the Development Allocations document in 2011. Although this seems some time away, a review of the Local Reserve Sites part of the Local Plan Review would itself be a major and lengthy exercise.
- 3.4. It is therefore concluded that any review of the Local Reserve Sites should be undertaken as part of the currently-programmed work on the Local Development Framework. This would avoid major changes to the Council's LDS (which would need approval by the Government Office) and major delays to the Core Strategy and subsequent parts of the LDF. The Local Plan Review's policy H.4 enables these sites to be protected from development so long as housing provision is likely to be adequate. Current indications are that this is likely to be the case until the policy is reviewed through the LDF.

4. Consultation and Decision Process

- 4.1. The 'Implementation of Local (Housing) Reserve Sites Policy' Supplementary Planning Document, adopted in July 2006, sets out the process for assessing the need for the release of Local Reserve Sites (LRSs). The procedure envisages the publication of the Assessment in December, alongside the AMR, followed by public consultation. Representations on the Assessment would then be considered by the Council, before reaching a decision on whether to release any of the Local Reserve Sites in early spring.
- 4.2. In practice, it would not be realistic or desirable to start the consultation process before Christmas. It is, therefore, recommended that the Assessment be published in early January for a consultation period of 6 weeks. The consultation period would close in mid-February, allowing the comments to be reported to Cabinet on 28th March. Cabinet would then be recommended to make a decision on the need to release any Local Reserve Sites, taking account of the comments received.

5. Conclusion

- 5.1. The Council's first Assessment of the need for Local Reserve Site releases suggests that there is no need for such releases in the coming year. The procedure adopted in the 'Implementation of Local Reserve Sites' Supplementary Planning Document requires consultation on these 'preliminary' conclusions. It is recommended that this consultation be undertaken in January and February, with the conclusions reported to Cabinet in March. At that time Cabinet would make a formal decision on whether to release any of the Local Reserve Sites.
- 5.2. Consideration has been given to the process by which the Local Reserve Sites policy (H.4()) could be reviewed. It is concluded that this should be undertaken through the production the Local Development Framework, work on which is already planned.

OTHER CONSIDERATIONS:

5 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 The Council's Corporate Priorities (2005 – 2008) identifies Homes and Environment as a priority, including 'to provide affordable homes in safe and pleasant environments for all sections of our community'.

6 RESOURCE IMPLICATIONS:

- 6.1 The limited costs of publishing and consulting on the Assessment can be met within existing budgets.

BACKGROUND DOCUMENTS:

Statistics relating to housing provision, held in the Strategic Planning Division.

APPENDICES:

Appendix 1: Assessment of the Need for Local (Housing) Reserve Site Releases 2007.

WINCHESTER DISTRICT LOCAL PLAN REVIEW

ASSESSMENT OF THE NEED FOR LOCAL RESERVE SITE RELEASE - 2007

1. Background

1.1. The Winchester District Local Plan Review 2006 includes a policy (H.2) allocating four sites as 'Local Reserve Sites', as follows:

- Pitt Manor, Winchester 200 dwellings
- Worthy Road/Francis Gardens, Winchester 80 dwellings
- Little Frenchies Field, Denmead 70 dwellings
- Spring Gardens, New Alresford 35 dwellings

1.2. These sites are only to be released if monitoring indicates that the Structure Plan's 'baseline' housing requirement for the District is unlikely to be met within the Local Plan period. The Local Plan Review therefore requires that housing provision and land availability is monitored regularly, to assess whether one or more of the Local Reserve Sites should be released. This is to be done in conjunction with the production of the Annual Monitoring Report (AMR), in December of each year.

1.3. The AMR (published separately) includes an assessment of housing provision and a 'trajectory' of expected future development rates. This Assessment undertakes a critical examination of this information in order to reach a conclusion as to whether any of the Local Reserve provision needs to be released in the coming year. The structure and methodology of this assessment draws on the Strategic Planning Authorities' series of 'H4 Monitoring Papers', which are a proven method of monitoring, so as to achieve consistency.

2. Process and Consultation

2.1. The process for assessing the need for the release of Local Reserve Sites (LRSs) is set out in the 'Implementation of Local (Housing) Reserve Sites Policy', adopted as a Supplementary Planning Document in July 2006. The procedure envisages the publication of this Assessment in December, alongside the AMR, followed by public consultation. Representations on this Assessment would then be considered by the Council, before reaching a decision on whether to release any of the Local Reserve Sites in early spring.

2.2. This assessment is therefore published for consultation and representations on it are invited by **19th February 2006**. These should be in writing and sent to:

Head of Strategic Planning
Winchester City Council
Avalon House
Chesil Street
Winchester
SO23 0HU

Email: planning@winchester.gov.uk
Fax: 01962 849101

3. Policy Requirements for Housing Provision

- 3.1. The Local Plan Review must be in general conformity with the Hampshire County Structure Plan 1996-2011 (Review) and must therefore achieve the provision of 7,295 dwellings within Winchester District in the period of the Structure Plan (1996-2011). This is the 'baseline' requirement which the Local Reserve Sites exist to help meet, if needed. Because the Structure and Local Plans extend only to 2011 there is no need for this assessment to look further ahead than this, although the AMR does look ahead as far as 2026, in accordance with the emerging South East Plan.
- 3.2. The Structure Plan's housing requirement would need an average annual rate of development of 486 dwellings per annum from 1996 to 2011. At 31 March 2006 (10 years into the Structure Plan period) net completions in Winchester District since 1 April 1996 had totalled 5,049 dwellings. This is almost 4% above the annualised Structure Plan requirement of 4860 (486 x 10 years).
- 3.3. There have been significant fluctuations in housing provision over the last 10 years, as illustrated by the trajectory in the AMR. Housing completions declined rapidly from a peak of 850 in 1997/98 to a low of 241 in 2000/01. They have since recovered every year until 2004/05, when they peaked again, at 694. They have dropped back to 490 in 2005/06, but it remains to be seen whether this represents the start of a decline in provision or merely a levelling off of growth. Information on outstanding planning permissions and dwellings under construction suggests the latter.
- 3.4. Completions exceeded the annualised Structure Plan requirement in 6 of the last 10 years, including each of the last 4 years. The remaining Structure Plan requirement is 2,246 dwellings at 1 April 2006, which would require an annual completion rate of 449 dwellings. The sections below consider the prospects for achieving this level of provision by 2011 and whether, at this point in time, it appears that any of the Local Reserve Sites need to be drawn upon in order to ensure that this requirement is achieved.

4. Housing Supply

- 4.1. Different methodologies for estimating current/future housing supply are used by Winchester City Council (in its Urban Capacity Study) and Hampshire County Council (in its H4 Monitoring Reports). Although this makes direct comparison of the results difficult, it does allow each methodology to be used as a cross-check on the other. Therefore, the results of each methodology are set out below.
- 4.2. In summary, the Winchester City Council methodology considers 'allocated' sites (sites allocated in adopted Plans) and various types of 'unallocated' sites (urban capacity, windfall, 'Living Over the Shop'). Hampshire County Council's methodology is slightly different in that it considers 'identified' sites (including allocations but also planning permissions) and 'unidentified' sites (all others including windfall, urban capacity, etc). The County Council also seeks to distinguish between large sites (10 or more dwellings) and small sites (9 or less dwellings).

Allocated/Unallocated Supply Methodology (Winchester City Council)

- 4.3. The results are set out in the AMR, which shows:

- Allocated sites in the Winchester District Local Plan Review 2006 (WDLPR) are expected to deliver a total of 1350 dwellings (WDLPR Table 2). This assumes that West of Waterlooville MDA will only deliver 1110 dwellings by 2011, out of a total 'baseline' provision of 2000;
- Of the sites for 2117 dwellings identified in the Urban Capacity Study 2001, some 1430 remain to be developed and are theoretically available. In practice Urban Capacity Sites (UCS) have not come forward at the rate anticipated, but this has been more than offset by 'windfall' sites (see below). UCS sites have been completed at an average rate of 119 per annum since 2001. The methodology did not make any allowance for 'windfall' sites, as it was assumed that the UCS had identified all the potential of this type. In practice, windfall sites of various types have come forward and have experienced higher completions than UCS sites (1058 since 2001 or an average of 176 per annum). When combined, UCS and windfall sites together have contributed an average of 295 dwellings per annum, compared to the original estimate in the Urban Capacity Study of an average of 192 dwellings per annum. Therefore, it is realistic to assume that at least the remaining UCS dwelling estimate of 1430 will be completed, either on UCS or windfall sites;
- A separate estimate was made of completions through 'Living Over the Shop', because of the difficulty in estimating urban capacity potential in the commercial centre of Winchester. This assumed the completion of 109 dwellings over the 11 years from 2000-20011. At an average of approximately 10 dwellings per year, there remains a theoretical capacity for 50 dwellings in the remaining part of the Plan period.

4.4. Based on the Winchester City Council methodology it is concluded that at least 2,830 dwellings are likely to be developed by March 2011, compared to the remaining Structure Plan requirement of 2,246, made up as follows:

Allocations	1350
Urban Capacity/windfall	1430
<u>Living Over the Shop</u>	<u>50</u>
Total	2830

4.5. The level of housing provision available under this methodology is 26% more than the remaining Structure Plan requirement, or 6.3 years' supply of land at the annual level of 449 dwellings needed to achieve the Structure Plan target by 2011. The reliability of these conclusions is assessed later in this report.

Identified/Unidentified Supply Methodology (Hampshire County Council)

4.6. The County Council's methodology is set out in its Policy H4 Monitoring Papers. It looks at 2 types of supply: identified and unidentified. Identified sites are those allocated in Plans and sites with planning permission. They are divided into large sites (10 or more dwellings) and small sites (9 or less dwellings). Unidentified (or urban capacity) sites are those which do not yet have planning permission. Hampshire County Council's forthcoming Policy H4 Monitoring Report is expected to include the following results for Winchester:

- Identified sites are estimated to have a supply of 2,776 dwellings in the period to 2011, of which 2,263 are on large sites. This includes an estimate of 800 dwellings at West of Waterlooville by 2011 (much smaller than WCC's estimate). The methodology includes an assessment of how

many dwellings will come forward in each of the next 5 years on each large identified site, often following discussion with developers;

- The estimates of dwelling completions on unidentified sites are based on a mixture of projections of past completion rates (for large sites) and an estimate based on WCC's Urban Capacity Study (for small sites). The total estimated completions are 859 dwellings by 2011, of which large sites contribute 518 and small sites 341.

4.7. Based on the Hampshire County Council methodology it is concluded that at least 3,635 dwellings are likely to be developed by March 2011, compared to the remaining Structure Plan requirement of 2,246, made up as follows:

Identified supply	2776
<u>Unidentified supply</u>	<u>859</u>
Total	3635

4.8. The level of housing provision available under this methodology is 62% more than the remaining Structure Plan requirement, or 8.1 years' supply of land at the annual level of 449 dwellings needed to achieve the Structure Plan target by 2011. The reliability of these conclusions is assessed later in this report.

5. Risk Assessment/Discounting

5.1. Both the WCC and HCC methodologies seek to avoid 'risky' assumptions and/or include some discounting to allow for uncertainty. It should, therefore, be possible to treat the range of results that they provide as a sound estimate. Nevertheless, the fact that there is a range shows that this is not a precise science and some elements of each methodology will have greater certainty than others. This is examined below, but the assessment errs on the side of caution and is for the purposes of this report only. It does not represent the official view of Winchester City Council or Hampshire County Council.

Allocated/Unallocated Supply Methodology (Winchester City Council)

5.2. Allocations – the adopted Local Plan's Table 2 shows that there are only 4 allocated housing sites, of which West of Waterlooville comprises the majority of the estimated supply of 1350 dwellings.

- Two of the sites are at Whiteley and are both small (50 and 90 dwellings). The smallest site has outline consent and forms the remaining phase of the much larger Whiteley Farm development. The other site (Whiteley Green) is owned by Hampshire County Council and its development has been held back due to a delay over the provision of services by an adjoining scheme. This too forms the final phase of a larger development, although it does not yet have planning permission. Although it could now be developed as soon as planning permission is obtained, Hampshire County Council's Housing Land Supply publication suggests that this site is not expected to deliver housing until after 2011. Given the small size, planning status and location of the Whiteley Farm site, it is considered very safe to assume that this site will be completed by 2011. However, the Whiteley Green site is more uncertain and should be discounted for the purpose of this exercise (90 dwellings);
- One of the remaining sites is at Broadway/Friarsgate, Winchester (Silver Hill development). This is a key town centre redevelopment site, but it is a complex mixed-use development and likely to involve compulsory

purchase. Two planning applications are currently under consideration, one for the whole site including 294 dwellings (including live/work), and one for part of the site including 133 dwellings. The Local Plan allocation only estimates 100 dwellings, well below even the smaller application. However, given the potential complexity of the site, a 15% discount could be applied (as suggested for large allocated sites in the HCC Policy H4 Monitoring Report), reducing the provision from this site to 85 dwellings;

- The remaining allocation is the West of Waterlooville MDA. Although the total baseline allocation is for 2000 dwellings, the Local Plan only assumes the completion of 1110 units by 2011. This would require an average of almost 280 dwellings per annum, assuming a start in 2007/08. Although this development has been delayed in the past, there are now 2 planning applications under consideration, which together cover the whole MDA. It is expected that one will be determined in late 2006 and the other in early 2007. The prospective developers are known to be keen to commence development and to submit 'reserved matters' applications as soon as outline permission is granted. Therefore, the anticipated number of completions is entirely feasible, although it is noted that HCC are using an estimate of 800 dwellings by 2011, an average of 200 per annum from 2007/08. Given that planning permission has not yet been granted and that the MDA forms such a large part of the allocated supply, further delays would put the delivery of 1110 dwellings by 2011 at risk. HCC's Policy H4 Monitoring Report uses a 20% discount for MDAs which, if applied to 1110, would reduce provision by 222, to 888 dwellings. This is more comparable with the HCC estimate of 800.

5.3. Urban Capacity/Windfall – Table 1 of the Local Plan estimates 1430 dwelling completions on urban capacity sites. As noted above, not all the Urban Capacity Study sites are now expected to come forward by 2011, but experience shows that those which don't are likely to be more than offset by windfall sites. Therefore, urban capacity and windfall together are expected to deliver at least 1430 dwellings. There are two ways of testing this figure:

- Past completion rates on urban capacity/windfall sites together have averaged 295 dwellings per annum, with variable numbers of urban capacity completions annually, but an increasing number of windfalls. If projected over the 5 years to the end of the Plan period, this annual average rate of development would result in 1475 dwellings completions. HCC's Policy H4 Monitoring Report proposes no discount for trend-based projections (small sites) and it is therefore appropriate to use this projection without discounting. On this basis, the estimate of 1430 from urban capacity/windfall sites seems entirely reasonable;
- There are many sites which already have planning permission, which the WCC methodology does not specifically highlight. Some of these may relate to allocated sites, although at present only 50 of the allocated dwellings have planning permission. There were a total of 1456 dwellings with planning permission at April 2006, of which only 50 have already been taken into account above as allocations. There are, therefore, permissions for 1406 dwellings on unallocated sites in existence at April 2006, which is 98% of the urban capacity/windfall estimate of 1430. Clearly, the granting of planning permissions did not stop at April 2006 and is likely to be continuing at a similar rate to 2005/06, when permissions for 637 dwellings were granted. With only 24 more permissions needed since April 2006 for the entire 1430 estimate to be on sites with permission, it is not considered appropriate to apply any

discount on the basis of concerns about a shortfall of planning permissions.

5.4. Living Over the Shop – a small allowance was made for residential development within the commercial core of Winchester city centre, on the basis that it would be impossible to identify specific sites in the Urban Capacity Study. The methodology used gave an estimated level of completions of about 10 per annum. Given the small numbers involved and the lack of specific monitoring of this element, it is proposed that it be removed for the purposes of the discounting exercise.

5.5. In conclusion, the discounted version of the Winchester City Council methodology would produce 2,453 dwellings by March 2011, compared to the remaining Structure Plan requirement of 2,246, made up as follows:

Allocations:

• Whiteley Farm	50	
• Whiteley Green	0	(90 discount)
• Broadway/Friarsgate	85	(15 discount)
• West of Waterlooville	888	(222 discount)
Urban Capacity/windfall	1430	(no discount)
<u>Living Over the Shop</u>	<u>0</u>	<u>(50 discount)</u>
Total	2453	(377 discount)

5.6. This is considered very much to be a ‘worst case’ scenario, but would still achieve a level of housing provision 207 dwellings (9%) above the remaining Structure Plan requirement, or 5.5 years’ supply of land at the annual level of 449 dwellings needed to achieve the Structure Plan target by 2011.

Identified/Unidentified Supply Methodology (Hampshire County Council)

5.7. Identified supply – this consists of sites allocated in Local Plans/LDFs and sites with planning permission. Of the estimated supply of 2,776 dwellings, 1350 are Local Plan allocations, of which 50 have planning permission. Therefore the remaining identified supply from this source consists of unallocated sites with planning permission, amounting to over half of the identified supply. HCC’s Policy H4 Monitoring Report suggests various rates of discounting for sites of different types, including those with planning permission:

- HCC apply a discount of 20% to MDAs. The HCC estimate of 800 dwellings for completions at West of Waterlooville by 2011 is already considered very low. Discounting it again by 20% would reduce the contribution to 640 dwellings and is considered unrealistically low. However, this discount is applied for the purpose of this exercise;
- HCC apply a discount of 15% to large allocations (without planning permission). Excluding West of Waterlooville (already discounted above) and Whiteley Farm (with permission therefore discounted below), there are only 190 dwellings expected on large allocated sites. Applying a discount of 15% would reduce the supply from these sites to 161.
- HCC apply discounts of 5% to large sites with full/detailed planning permission and 10% for sites with outline consent. Planning permissions exist for 1,456 dwellings, which are all on sites which have not already been discounted above. Of these, 1206 are full permissions and 250 are outline. Therefore this element of supply should be discounted by 60

(5% of 1206) + 25 (10% of 250) dwellings, a total discount of 85 dwellings. This would leave a discounted supply of 1,371 dwellings from sites with planning permission.

5.8. Unidentified supply – this is an estimate based on a mixture of projections of past completion rates (for large sites) and an estimate based on WCC’s Urban Capacity Study (for small sites). The total estimated completions are 859 dwellings by 2011, of which large sites contribute 518 and small sites 341. HCC’s Policy H4 Monitoring Report does not apply any discount to unidentified sites, so a total estimated provision of 859 is retained.

5.9. In conclusion, the discounted version of the Hampshire County Council methodology would produce 3,049 dwellings by March 2011, compared to the remaining Structure Plan requirement of 2,246, made up as follows:

Allocations without planning permission (15% discount)		
• Whiteley Green	76	(14 discount)
• Broadway/Friarsgate	85	(15 discount)
• West of Waterlooville	640	(160 discount)
Sites with planning permission (5-10% discount)		
• Outline consent	225	(25 discount)
• Full consent	1166	(60 discount)
<u>Unidentified sites</u>	<u>859</u>	<u>(no discount)</u>
Total	3051	(274 discount)

5.10. This is considered very much to be a ‘worst case’ scenario, but would still achieve a level of housing provision 805 dwellings (36%) above the remaining Structure Plan requirement of 2,246, or 6.8 years’ supply of land at the annual level of 449 dwellings needed to achieve the Structure Plan target by 2011.

6. Conclusion

6.1. This Assessment has used two different methodologies to determine the predicted level of housing development in the District for the remaining Structure Plan period to 2011. These conclude that there is likely to be an ‘over-supply’ of housing of between 26% and 62%. This is before any discounting or risk assessment, although each Authority considers that its figures are likely to give a reasonable conclusion. Any ‘over-supply’ will contribute towards meeting the requirements of the South East Plan, which covers the period 2006-2026.

6.2. On this basis there would appear to be no need for the release of any of the Local Reserve Sites at this time. However, in order to test whether these figures are robust and how they may change if different assumptions are used, they have been subjected to a discounting exercise. This should be considered to be very much a ‘worst-case’ scenario and is undertaken for the purposes of this Assessment only. It does not represent either Authority’s projection of what will actually happen.

6.3. Even under this worst-case scenario there remains a level of over-supply, ranging from 9% to 36%. Given the level of discounting applied, this confirms that the City Council can currently be very confident that the Structure Plan requirement can be met without the need to release any

LRSs. This situation may change over time, hence the reason for identifying the LRSs and for updating this Assessment annually.

- 6.4. The City Council invites the comments of stakeholders and interested parties on the conclusions of this Assessment. It will consider those comments before formally deciding whether any LRS releases are needed for the coming year.