



Report to the Partnership for Urban South Hampshire Overview and Scrutiny Committee

Date: 19 January 2016

Report of: Graham Tuck, PUSH Spatial Strategy Project Manager & Gloria Ighodaro, PUSH Executive Director

Subject: PUSH Spatial Strategy to 2036.

SUMMARY

At its March 2014 meeting, the Joint Committee authorised the appointment of a consultant to prepare the new PUSH Spatial Strategy to 2036. The Strategy will identify the needs for further housing and economic development and a distribution of this development which is appropriate in transport / infrastructure and environmental terms. It will be informed by the latest national and Solent LEP policies and evidence; and will be key to meeting the requirement to update Local Plans. This report sets out the progress in preparing the Strategy; and includes a revised timetable for further work that needs to be undertaken. The 2015 Spending review, published on 25 November 2015 reflects Government's commitment to boost housing growth setting a national target of 400,000 new homes to be built by 2020 with a national budget allocation of £2 billion per annum, double that of previous Government commitments.

RECOMMENDATION

The Overview and Scrutiny Committee is recommended to:

1. **NOTE** the progress being made on the Spatial Strategy, including the emerging provision and distribution of housing, in line with the Government's policy to meet the need for new homes and in support of the Devolution Prospectus;
2. **NOTE** the decision of the Joint Committee to progress the Spatial Strategy Review to completion in accordance with the revised timetable outlined in section 3 of this report; and

3. **NOTE** the proposed actions in this report as follows:
 - a. Further work on the objectively assessed land supply, rate of delivery and transport matters (para. 2.9 – 2.20);
 - b. The principles for approaching this further work (para. 2.21).
 - c. The revised timetable for preparing and finalising the Strategy (section 3).

1. Overview

- 1.1 Work on the PUSH Spatial Strategy to 2036 began in May 2014 with the appointment of consultant GL Hearn.
- 1.2 The Strategy will set out the employment and housing development needed to promote economic growth, jobs and homes for all. It will be focussed on achieving a renaissance of Portsmouth, Southampton and the other major urban areas, protecting the most important aspects of the environment and co-ordinating transport and other infrastructure. It will be the agreed basis for distributing the development needed to individual Councils, will identify very broad areas of search for key development locations, and be based on a reasonable prospect of delivery at the strategic level.
- 1.3 The Strategy will replace and update the South Hampshire Strategy (2012) and extend the planning horizon from 2026 to 2036. The Strategy will take account of the National Planning Policy Framework (NPPF), the LEP's Solent Economic Plan, and the PUSH Strategic Housing Market Assessment (SHMA).
- 1.4 The NPPF explains that Councils should work together to meet the objectively assessed development needs for new homes and businesses. Where possible these needs should be met for up to 15 years ahead; unless in terms of the NPPF's other policies, the adverse impacts of doing so (for example on the environment) would significantly outweigh the benefits. However the NPPF is clear that every effort should be made to meet these needs for development.
- 1.5 The Strategy looks 20 years ahead to 2036 to give Councils time to review their Local Plans and still maintain a 15 year time horizon. It will enable long term development needs to be addressed in a co-ordinated way which does most to maximise economic, environmental and infrastructure opportunities.
- 1.6 The Strategy will be key to enabling all the Councils within PUSH to update their Local Plans consistent with national requirements. If there is a shortfall in meeting the overall needs across the PUSH housing market areas, and this shortfall cannot be rigorously justified against the NPPF, this would make it more difficult for all the Councils to progress their Local Plans. Local Plans will be the statutory development plans which implement the South Hampshire Strategy, and will undertake more detailed studies on site specific planning at the local level.

2. Progress

- 2.1 A substantial amount of evidence gathering, analysis and discussion has been completed. This includes assessments and updates of housing needs, economic development needs (supported by the latest forecasts for the LEP), transportation, environmental designations, flood risk, the development capacity of urban areas and existing sites, potential delivery rates, and a draft sustainability appraisal and habitat regulations assessment.
- 2.2 Discussions have been held with the Solent LEP; Solent Transport, the highway authorities, Network Rail, South Hampshire Bus Operators Association, and Highways England; the Environment Agency, Natural England, Southern Water and Portsmouth Water; and the Ministry of Defence.
- 2.3 Over the Summer and Autumn GL Hearn have been meeting with the PUSH Chief Planners and Planning Officers Group (including Solent Transport) on a monthly basis. Meetings have also taken place with planning officers from each individual Council.
- 2.4 There is a commitment to pursue the Strategy; and broad agreement regarding the issues and principles proposed. This includes an agreement on the key issues against which options regarding the distribution of development should be assessed.
- 2.5 The evidence and meetings have enabled GL Hearn to lead technical discussions regarding the potential distribution of development. The indications at this stage are that a distribution can be proposed which fully meets the objectively assessed need for economic development for the 20 years to 2036, in line with the latest economic forecasts for the Solent LEP, and based on economic growth and productivity gains.
- 2.6 The indications are that a distribution can also be proposed which meets a high proportion of the objectively assessed need for new homes over the 20 years to 2036. This distribution would broadly double the provision of new homes compared to existing planning permissions and Local Plan allocations. However at this stage some important aspects of this distribution are still under discussion, and it does not fully meet the overall needs to 2036. It is important to undertake further work on these outstanding issues. An action plan for addressing them is set out below.
- 2.7 It is important to note that progress has been made to date, and the proposed action plan aimed at addressing outstanding matters, is important in delivering the Government's commitment to delivering its major house building programme notwithstanding the emerging Hampshire and Isle of Wight (HIOW) Devolution prospectus and the ambition to accelerate housing delivery in return for devolved infrastructure investment to unlock development. The economic Asks of Government are also vitally important towards supporting a growing workforce, boosting productivity, skills and

business support will also contribute to achieving a more sustainable development.

- 2.8 In light of the further work and testing of options required to satisfy that the area's growth ambition is both deliverable and sustainable, it is recommended that the start of public consultation on the draft Strategy is delayed until early June 2016. This will allow the time to continue the collaborative approach in line with the 'duty to co-operate'.
- 2.9 The key outstanding matters arising and the consequent further work proposed to address them are as follows:

Issue 1: Objectively Assessed Land Supply

- 2.10 Some Councils have indicated that they are not able to meet their objectively assessed need. This position needs to be thoroughly tested.
- 2.11 Whilst the emerging distribution meets a high proportion of the overall need through to 2036, there is currently still a shortfall. This position needs to be thoroughly tested in order to either fully close the gap, or to ensure there is confidence amongst all Councils that any remaining gap can be justified in the light of the NPPF.
- 2.12 Further work: It is proposed that there is an opportunity for Councils to discuss, challenge and test current assumptions in reaching an objectively assessed land supply for each Council. This will be undertaken in two stages:
- **Stage 1** - Councils which have indicated they have not fully met their own need. It is important to acknowledge that some housing needs are relatively local and should be met within that Council area wherever possible. These Councils should thoroughly assess all options for meeting their objectively assessed housing need, before other Councils are asked to meet any unmet needs. Therefore it is important this stage is undertaken first. Potential provision should only be excluded from further consideration at this stage where there is strong reason to do so.
 - **Stage 2** - Councils which can meet or exceed the needs assigned to them. South Hampshire is an interconnected area and some of the need for new homes is interchangeable between Councils areas across this wider area. The NPPF explains that where a need cannot be met in one area it should, wherever possible, be met in adjoining Council areas within the housing market area.
- 2.13 In the light of the NPPF, all (first and second stage) Councils will need to be able to demonstrate they have thoroughly assessed opportunities to meet any unmet needs from the wider housing market area in-order to secure a 'sound' Local Plan.

The rate of delivery of development.

- 2.14 Meeting the full objectively assessed need for development is undoubtedly a challenge in an area such as South Hampshire and the Isle of Wight, rich in areas of outstanding beauty and countryside. The significant increase in the rate of development compared to past rates will therefore require extensive testing of options to provide the necessary certainty in terms of delivery and sustainable development.
- 2.15 **Further work:** The Consultants leading on the commission, GL Hearn, will be tasked with testing the likely ability of the house building industry achieving the higher rates of development needed, taking account of the circumstances which led to past rates of delivery and of national experience.

Issue 3: Transportation

- 2.16 Deliverability of public transport upgrades, including new rail stations also needs to be tested.
- 2.17 **Further work:** The consultancy team will describe the rationale for the distribution based on the assessment undertaken; and set out their assessment regarding the the likely deliverability of infrastructure, including new rail stations. Further discussions will be held with transport providers as appropriate.
- 2.18 The further work set out above will consider the most appropriate distribution of development focussing development on cities and urban areas first; protecting the environment and appropriate countryside gaps; transportation; and creating communities. Appendix 1 sets out these issues further and the information which will be requested of Councils on a consistent basis.
- 2.19 The process is designed to give all Councils the confidence that all options across PUSH for fully meeting housing needs have been considered, and that a robust Strategy is in place that can be justified in the context of the NPPF. The process will start with those Councils which have indicated they cannot meet the needs assigned to them.
- 2.20 It is important to emphasise that the strategy is strategic and long term in nature and not location or site specific. It is neither a Local Plan, nor a planning application; each of which will be supported by further assessment. The Strategy (and indeed subsequent Local Plans) cannot provide certainty regarding long term infrastructure provision. The NPPF seeks that Local Plans provide a 'reasonable prospect' of delivery. However the Strategy should clearly set out the rationale and assumptions on which it is based; and demonstrate a reasonable prospect of delivery so far as is possible at this stage. This will enable further testing through Local Plans, and a future review of the Strategy if necessary. The NPPF explains that the 'duty to co-operate' is an ongoing process.

2.21 To ensure the collaborative approach works effectively, the following principles are proposed for each Council to adopt in undertaking the work set out above:

- Comprehensiveness – thoroughly assessing all options;
- Transparency;
- Open to challenge and discussion – the ‘duty to co-operate’ is a two way process

3. Revised timetable

3.1 Members will recall that the previous timetable indicated that the Draft Spatial Strategy would conclude by November with a view to seeking Joint Committee approval to commence public consultation at its meeting on 9 Decemebr 2015. However, in light of the recommendations made throughout this report to undertake further work / testing of options, a revised timetable was proposed for the Joint Committees consideration / approval:

3.2 The recommended overall timetable is as follows:

- **December 2015 to May 2016** - Further work / testing of options as described in this report.
- **Early June 2016** - PUSH Joint Committee decision to approve the draft Spatial Strategy for public consultation.
- **Early June to July 2016** - Public consultation on the draft Spatial Strategy commence over a six weeks period. This process will provide an opportunity for the public, Councils, statutory agencies, infrastructure providers and developers; to feedback their views on the draft plan and will form a key part of testing and refining the Strategy.
- **September 2016** – Joint Committee decision will be sought to approve the final Spatial Strategy.

4. Conclusion

4.1 The Overview and Scrutiny is recommended to:

- NOTE the progress being made on the Spatial Strategy, including the emerging provision and distribution of housing, in line with the Government’s policy to meet the need for new homes and in support of the Devolution Prospectus;
- NOTE the decision of the Joint Committee to progress the Spatial Strategy Review to completion in accordance with the revised timetable outlined in section 3 of this report; and
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ENQUIRES: For further information on this report please contact:

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