



# **Report to the Partnership for Urban South Hampshire Joint Committee**

Date: **25<sup>th</sup> March 2014**

Report of: **Paul Nichols, Head of Planning Transport and Sustainability  
Southampton City Council**

Subject: **Spatial Strategy Update**

## **SUMMARY**

A new PUSH Spatial Strategy is required because the current version (2012) has a planning horizon of 2026, and a number of PUSH authorities are already preparing Local Plans which extend beyond this date. In addition, the new spatial strategy needs to take account of the latest evidence on our economic prospects, updated evidence of housing need and the emerging Strategic Economic Plan (SEP) of the Solent LEP. The strategy also needs to incorporate the recently expanded PUSH area, including the Isle of Wight

The emerging SEP (*Transforming Solent: Solent Strategic Economic Plan 2014-20*) provides a new framework for sustainable economic growth across the PUSH area. This includes achieving an additional 15,500 jobs, over and above baseline projections. The new strategy will align with this growth framework up to 2020, but will extend out to a planning horizon of 2036.

This report summarises the proposed approach to the new spatial strategy, to be included in the draft *Invitation to Quote* which has been prepared for release to consultants. A two phased programme of work is proposed as described below:

- The initial phase of consultancy work (preparing the evidence base and options appraisal) will run up to April 2015. Following consideration of the completed options appraisal by the PUSH Joint Committee, there would be a period of wider consultation with the Solent LEP, other interested parties and the wider public in June/July 2015.
- The second phase of this commission (September to October 2015) will take the preferred development option and incorporate it into a new draft spatial strategy for the PUSH area. PUSH will then take this draft spatial strategy out to consultation and ultimately adopt the finalised plan.

## RECOMMENDATION

It is RECOMMENDED that the Joint Committee NOTE and APPROVE:

1. That officers are authorised to appoint a consultant to undertake the proposed programme of work. The first phase will take place over the period April 2014 to March 2015 and will lead to the preparation of a draft Options Appraisal for consultation with the public and other interested parties, in close consultation with PUSH Leaders and the PUSH Planning Officers Group.
2. That PUSH authorities agree that they will not object to emerging Local Plans in the PUSH area on the basis of their housing numbers, where they are consistent with the PUSH Spatial Strategy 2012, whilst the new spatial strategy to 2036 is being prepared.
3. Agree to the preparation of a Memorandum of Understanding setting out the agreement in (2) above, as suggested by the Planning Inspectorate.

## INTRODUCTION

1. The significant changes in the economic environment and subsequent funding implications in recent years have led to PUSH reviewing its business priorities. Since the establishment of the Solent Local Enterprise Partnership (LEP), PUSH has been reflecting on its strong delivery track record, acknowledging however, that its focus and strategic direction, whilst distinct from that of the LEP, should complement each other. Going forward therefore, PUSH's strength and role remain in policy development and co-ordination, facilitating Joint delivery, democratic leadership, simplifying interfaces and raising the profile of the Solent. As local authority member representatives on the Solent LEP Board, the Partnership recognises the need to inform, influence and support the Solent LEP's economic growth agenda thereby providing a democratic perspective to decisions that will impact on local people. Building on these roles, the broad work agenda of PUSH include: Development and Infrastructure; Energy and the environment; quality of place, housing and spatial planning. Other business priorities previously lead and resourced by PUSH namely, Economic Development, Employment and Skills and Inward Investment have now transferred to the LEP. PUSH however, retains its role as facilitator, enabler and key delivery agent on these matters.
2. PUSH continues to work collaboratively with local businesses through the Solent LEP and is well represented on a number of jointly establishes Boards and Committees namely the Solent LEP Board, Solent Local Growth Panel, Solent Employment and Skills Board, Inward Investment Board, Future Solent and the emerging Solent Local Transport Board.
3. The current *South Hampshire Strategy* (October 2012) provides a strategic framework for local plan preparation and other decision-making by PUSH authorities and their partners up to 2026. It aims to provide for required growth in employment floorspace and housebuilding across South Hampshire as a whole. In combination, the document's policies and proposals are helping to maximise economic growth, supporting regeneration in Portsmouth, Southampton and other urban areas, and helping to ensure an adequate supply of affordable homes and good quality jobs.
4. More specifically, the purpose of the current strategy is to:
  - help realise the PUSH ambition to create a prosperous economy in a sustainable way
  - provide a spatial framework for PUSH activities and actions including the allocation of resources, and provide support to bids for external funds
  - guide and support the preparation of Local Plans and the review of adopted ones
  - be the means for PUSH authorities to discharge the duty to cooperate with neighbouring authorities on planning issues
  - enable PUSH authorities to show they are meeting development requirements across the PUSH area as a whole, including dealing with development needs which cannot wholly be met within one authority's area.

5. The new PUSH Spatial Strategy to 2036 will be similar in scope to the current strategy, but should reflect the revised forecasts and preferred growth scenario within the LEP's emerging Solent Strategic Economic Plan, as well as the latest Strategic Housing Market Assessments for South Hampshire and the Isle of Wight and a wide range of new evidence to be developed under this commission.
6. Although the new Spatial Strategy will not be a statutory plan in its own right, it will need to satisfy the following tests of soundness in the National Planning Policy Framework (NPPF):
  - Positively prepared – the plan should be based on a strategy which seeks to meet objectively assessed development and infrastructure requirements including unmet requirements from neighbouring authorities, where it is reasonable to do so, and consistent with achieving sustainable development
  - Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence
  - Effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities
  - Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

## **PROPOSED APPROACH TO THE REVIEW**

7. It is recommended that work commence as soon as possible on the new strategy. The published SHMA report emphasises that housing need estimates at district level cannot be interpreted as allocations. It is therefore important that PUSH progress as rapidly as possible to develop allocations, using the SHMA as part of the evidence base along with a range of other evidence sources including detailed work to assess the availability of land that can sustainably accommodate development, environmental constraints and impacts, economic development and employment analysis, infrastructure capacity and consideration of what new infrastructure might be needed.
8. It is proposed that PUSH commission a consultant to prepare the new spatial strategy. The updated strategy will not be a statutory planning document, but will inform developers and Planning Inspectors of the agreed PUSH thinking on the preferred spatial strategy to deliver the economic priorities for the PUSH area. The updated spatial strategy will work to a 2036 planning horizon.
9. The end product of this commission will be a non-statutory strategy document, similar in scope to the updated South Hampshire Strategy (2012), together with the required portfolio of supporting evidence.
10. The commission is to be completed in two phases:
  - Preparing the evidence base and completing the *Options Appraisal* (April 2014 to April 2015)

- Taking the results of a summer 2015 public consultation on the Options Appraisal report and producing a new draft *Spatial Strategy* for the PUSH area based on the preferred development option (Sep/Oct 2015).
11. The consultant will lead the technical work and consultation with interested parties to develop the updated spatial planning framework for the enlarged PUSH area (including the Isle of Wight). The consultant will complete this task in close co-operation with both PUSH staff and the PUSH Planning Officers Group.
  12. The interested parties to be engaged in the process should include: PUSH Leaders and Chief Executives; the Solent LEP Board and executive; Solent Transport; appropriate business representatives; Highways Agency; Network Rail; Environment Agency; Defra; Natural England; the South Downs and New Forest National Parks and the Marine Management Organisation. Other interested parties may be included as the project progresses.
  13. In order to fulfil the duty to co-operate, it will also be necessary to engage constructively and actively with immediately neighbouring areas and authorities to the PUSH area, including those sections of some PUSH local authorities which lie outside the spatial strategy area.
  14. It will be important to ensure that the new strategy, once it has been taken through due process, will have value as supporting evidence in the future examination of Local Plans within the PUSH area and will have status as a material consideration in the determination of future planning applications. As development options are defined and appraised, it will be necessary to undertake both a strategic environmental assessment and an appropriate assessment, alongside any other appraisals that are considered necessary as part of the work. The emerging spatial strategy options should also address all feedback from consultations with interested parties undertaken as part of the plan preparation process.
  15. The core tasks for the consultants are to:
    - Review all available technical evidence from the 2012 PUSH Spatial Strategy and, where appropriate, from Local Plans/Core Strategies across the PUSH area
    - Design and implement a comprehensive programme to complete the necessary technical evidence base required to update the PUSH Spatial Strategy to 2036
    - Produce, in collaboration with PUSH local planning authorities, a consistent appraisal of brownfield land development capacity within the two cities and all existing urban and developed areas
    - Undertake a high level viability assessment of large development sites within the PUSH area, to ensure that the assumptions on their development capacity are realistic
    - Map and analyse environmental and other development constraints across the PUSH area, including all relevant terrestrial, coastal and marine designations

- Analyse infrastructure provision across the PUSH area – in particular transport, flood risk, green infrastructure, energy and utilities – and appraise infrastructure capacity and future requirements to support development
  - Develop a set of strategic development options for consultation with interested parties which satisfy the requirements of the evidence base, in particular the strategic housing market assessments for South Hampshire and the Isle of Wight
  - Define the land and infrastructure requirements to support the delivery of the Solent LEP’s Strategic Economic Plan, in particular considering requirements in the maritime and logistics sectors
  - Thoroughly test the set of development options for South Hampshire. This should include working with Systra (Solent Transport’s consultants) to apply the Sub Regional Transport Model (SRTM) to test the transport impacts of each option (in close collaboration with Solent Transport) and adjusting options accordingly to mitigate transport impacts
  - Specify, design and complete all necessary environmental assessments, appropriate assessments, and other appraisals within the plan making programme, to provide a comprehensive evidence base on the impacts of each development option and to assist in the refinement and detailed design of those options
  - Undertake a programme of stakeholder consultation, to include a series of workshops with PUSH Leaders and Chief Executives on development options.
  - Produce a *PUSH Spatial Strategy Options Appraisal* for consultation, which incorporates a set of alternative development options. Each option should meet the range of identified needs for housing, employment land and commercial development, whilst working within the identified development constraints. The options appraisal should include an evidence-based analysis of each option in terms of its: achievement of defined spatial planning goals; social, environmental and economic impacts; infrastructure requirements and deliverability
  - Once the PUSH authorities have completed their public consultation on the Options Appraisal, prepare a new Spatial Strategy for the PUSH area to 2036, based on PUSH’s preferred development option.
16. Developing a spatial strategy which is deliverable in transport terms, and understanding the transport impacts of each development option, will be critical to the success of this project. The Sub Regional Transport Model (SRTM) will be used to develop a higher level analysis of transport capacity and infrastructure requirements. Systra could undertake this as a discrete piece of work, which would feed into the overall report and would help identify the best locations for additional development from a transport perspective and, at a high level, the transport interventions required to support this. Following consultation on the Options Appraisal, the consultants will prepare a new draft PUSH Spatial Strategy, which will provide a comprehensive policy document to replace the current PUSH Spatial Strategy. The new document should include:
- a revised statement of key priorities of PUSH

- an updated core policy (SH1) setting out the preferred development strategy for the enlarged PUSH area
  - new policy material relating to the strategic development and regeneration programmes in the two cities and other major urban areas
  - a revised policy on the scale and location of housing development, incorporating a review of policy for the Strategic Development Areas (SH2 and SH5)
  - an updated policy on the scale, location and type of employment and commercial development, including the role of regional and town centres (SH3, SH4)
  - a defined spatial strategy to support the growth of the marine and maritime sector, as defined in the emerging SEP
  - an updated affordable housing policy, taking account of recent developments in national policy and funding arrangements, as well as new and emerging policies and priorities within each local authority area (SH6)
  - an infrastructure strategy for the enlarged PUSH area, incorporating a revised transport strategy (SH7) which is consistent with Solent Transport's delivery plans. This should also incorporate the adopted PUSH Green Infrastructure Strategy. In addition, there is a strong body of evidence on other infrastructure requirements (including flood risk management), which has been prepared for individual Core Strategies and Local Plans and needs to be incorporated.
  - An updated strategy for environmental sustainability (SH8), informed by new policies and programmes at national level and evidence prepared for individual Core Strategies and Local Plans.
17. The appointed consultants will report to Gloria Ighodaro (PUSH Interim Executive Director) and the Project Sponsor will be Paul Nichols, PUSH Planning theme lead.

## **PROGRAMME, BUDGET AND RESOURCES**

18. The work on the initial phase will commence in May 2014 and conclude by April 2015. Work on the second phase, following public consultation, will take place in autumn 2015.
19. A budget guideline of up to £150,000 has been established for the consultant's work, to include all necessary work to develop the evidence base and to test development options (including the Systra components). A fixed fee for this work will be agreed with the consultants.

20. Estimated timescales for submission and project delivery are as follows:

<b>Activity</b>	<b>Completion Date</b>
Deadline for submission of proposal	April 25 <sup>th</sup> 2014
Interview with shortlisted consultants (if necessary)	w/c May 5 <sup>th</sup> 2014
Confirmation of successful consultants	w/c May 12 <sup>th</sup> 2014
Inception meeting	w/c May 19 <sup>th</sup> 2014
Initial review of issues and evidence	May /July 2014
New studies and evidence required	June/October 2014
Series of Officer and Member workshops, stakeholder discussions	Oct/Nov 2014
Produce initial set of spatial options for appraisal	Nov/Dec 2015
Client review of the draft spatial options, including further Officer and Member workshops	Jan/Feb 2015
Produce full Options Appraisal document with supporting evidence	Mar/Apr 2015
Draft Options Appraisal finalised and approved for consultation	June 2015
PUSH authorities complete public consultation on the Options Appraisal	July/Aug 2015
Production of consultation draft of Spatial Strategy	Sep/Oct 2015
PUSH authorities complete public consultation on the draft Spatial Strategy	Nov/Dec 2015
Final amendments and adoption of Strategy	Jan/Feb 2016

21. A detailed work plan and timetable will be agreed in the early stages of the commission.

### **PLANNING OFFICER SUPPORT**

22. PUSH requires professional and technical support during the preparation of the new spatial strategy. Gloria Ighodaro (PUSH Interim Executive Director) will have overall programme management responsibility. However, the appointed consultants will require a professional Planning Client with expertise in strategic planning, to manage and steer the delivery of the new spatial strategy at an operational level. As a consequence, a further sum of up to £50,000 has been set aside to fund this support. Paul Nichols will work alongside Gloria Ighodaro to undertake this role (on part-time secondment from Southampton City Council).



## **PLANNING INSPECTORATE FEEDBACK ON THE PUBLISHED SHMA**

23. Following the recent publication of the SHMA, some PUSH authorities have had further discussions with the Planning Inspectorate on the progress of their draft Local Plans.
24. The new SHMA has generally been positively received, as indeed has the 2012 review of our spatial strategy. The emerging position from the Inspectorate is that it will be acceptable for Local Plans entering examination at this stage to conform to the housing numbers in the PUSH Spatial Strategy 2012. This is on condition that there is a commitment to an early review of these Local Plans, on the basis of the new SHMA, once district-level allocations have been agreed.
25. The additional advice received is that PUSH should make a formal statement to confirm that we will not object to one another's Local Plans on the basis of housing numbers during this inter-regnum, so long as they do conform to the PUSH Spatial Strategy 2012. In the light of this advice, the proposal is that PUSH authorities agree at this meeting to take this position and that we prepare a short Memorandum of Understanding to set this out more formally (see *Recommendations*).

## **RECOMMENDATION**

26. It is RECOMMENDED that the Joint Committee NOTE and APPROVE:
  - That officers are authorised to appoint a consultant to undertake the proposed programme of work. The first phase will take place over the period April 2014 to March 2015 and will lead to the preparation of a draft Options Appraisal for consultation with the public and other interested parties, in close consultation with PUSH Leaders and the PUSH Planning Officers Group.
  - That PUSH authorities agree that they will not object to emerging Local Plans in the PUSH area on the basis of their housing numbers, where they are consistent with the PUSH Spatial Strategy 2012, whilst the new spatial strategy to 2036 is being prepared.
  - Agree to the preparation of a Memorandum of Understanding setting out the agreement in (B) above, as suggested by the Planning Inspectorate.

### **Background Papers:**

Spatial Strategy Roll Forward and Final Strategic Housing Market Assessment (SHMA) report.

**Reference Papers:** None

### **Enquiries:**

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