AGENDA
PARTNERSHIP FOR SOUTH HAMPSHIRE OVERVIEW AND SCRUTINY COMMITTEE

Date: Wednesday, 28 June 2023

Time: 10.30 am

Venue: Collingwood Room - Civic Offices

Members:

Chairman	To be appointed
Vice-Chairman	To be appointed
Councillors	David Evans, East Hants DC
	Richard Gomer, Eastleigh BC
	Malcolm Daniells, Fareham BC
	Martin Pepper, Gosport BC
	Peter Latham, Hampshire CC
	David Keast, Havant BC
	Allan Glass, New Forest DC
	To be confirmed, Portsmouth CC
	Dan Fitzhenry, Southampton CC
	Neil Gwynne, Test Valley BC
	To be confirmed, Winchester CC

Co-opted Members: Paddy May, Partnership for South Hampshire

1. Election of Chairman

To elect a Chairman for the Municipal Year 2023/24.

2. Appointment of Vice-Chairman

To appoint a Vice-Chairman for the Municipal Year 2023/24.

3. Apologies for Absence and Changes to the Overview and Scrutiny Committee Membership

To note any apologies and changes in membership for this meeting of the Overview and Scrutiny Committee.

4. Minutes (Pages 5 - 10)

To confirm as a correct record the minutes of the meeting of the Partnership for South Hampshire (PfSH) Overview and Scrutiny Meeting held on 29 March 2023.

5. Chairman's Announcements

To note any changes in membership for this meeting of the Overview and Scrutiny Committee made in accordance with the Council's Standing Orders with Respect to Meetings.

6. Declarations of Interest

To receive any declarations of interest from members, in accordance with the Joint Agreement.

7. Deputations

To receive any deputations of which notice has been lodged.

8. Matters Arising from PfSH Joint Committee

To consider matters arising from the PfSH Joint Committee meeting held on the 04 April 2023.

9. PfSH Managers Report (Pages 11 - 16)

To receive a report from the PfSH Manager providing an opportunity for issues which are significant, but do not justify a full report in their own right to be brought to the attention of the Joint Committee for a decision.

10. PfSH Statement of Accounts (Pages 17 - 46)

To receive a report outlining the PfSH statement of accounts for the financial year 2022/23.

11. Solent Waders and Brent Goose Strategy (Pages 47 - 50)

To receive an update on completed and planned work against the Solent Waders

and Brent Goose Strategy.

12. Nutrient Mitigation (Pages 51 - 58)

To receive an update on the work of the Strategic Environmental Planning Team regarding local government nutrient funding opportunities.

13. PfSH Statement of Common Ground (Pages 59 - 88)

To receive a report providing an update on the progress towards developing a PfSH Joint Strategy and proposed revisions to the Statement of Common Ground.

For further information please contact:
Democratic Services, Civic Offices, Fareham, PO16 7AZ
Tel: 01329 236100
democraticservices@fareham.gov.uk

Minutes of the Partnership for South Hampshire Overview and Scrutiny Committee

(to be confirmed at the next meeting)

Date: Wednesday, 29 March 2023

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Allan Glass, New Forest DC (Chairman)

Councillor Peter Latham, Hampshire CC (Vice-Chairman)

***Councillors*:** Malcolm Daniells, Fareham BC
Martin Pepper, Gosport BC
Mike Maltby, Test Valley BC
Neil Cutler, Winchester CC

Co-opted Members: Paddy May, Partnership for South Hampshire

***Also Present*:** Anna Parry, Item 8
Jonathan Evans, Item 9
Simon Kennedy, Item 10

1. APOLOGIES FOR ABSENCE AND CHANGES TO THE OVERVIEW AND SCRUTINY COMMITTEE MEMBERSHIP

Apologies of absence were received from Councillors Malcolm Johnson (East Hants DC) and Richard Gomer (Eastleigh BC).

There were no changes to the Committee Membership.

2. MINUTES

RESOLVED that the Minutes of the PfSH Overview and Scrutiny Committee meeting held on the 30 November 2022 be signed and confirmed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made no announcements at the meeting.

4. DECLARATIONS OF INTEREST

No declarations were received at the meeting.

5. DEPUTATIONS

No deputations were received at the meeting.

6. MATTERS ARISING FROM PFSH JOINT COMMITTEE

Members were asked to consider any matters arising from the previous Joint Committee meeting held on the 07 December 2022.

Paddy May addressed the Committee to confirm that the recommendation to ask the Joint Committee to consider that the Statement of Common Ground be confined to the PfSH sub-region received overall support by the Joint Committee as a proposed way forward.

7. PFSH CO-ORDINATOR'S REPORT

The Committee received the PfSH Co-ordinator's report which provided an opportunity for issues which are significant, but do not justify a full report in their own right, to be brought to the attention of the Joint Committee for decision or for information.

RESOLVED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that it will be recommended to Joint Committee at its meeting on 4 April 2023 that it NOTES the matters for information outlined in part B of the report; and

c) considered any comments to be passed to the Joint Committee for consideration.

8. BIRD AWARE SOLENT 5-YEAR STRATEGY REVIEW

The Committee received a report from Anna Parry, Bird Aware Solent, that will update the Joint Committee on the initial findings of the 5 Year Review of the work of the Bird Aware Partnership and outline the next steps that will be taken following the results of this review.

Members of the Committee commented that if the proposed study is endorsed by the Joint Committee and the findings do increase the remit of the Bird Aware, this will greatly expand the scope for the partnership. Anna Parry confirmed that the strategy review would reflect the widening remit of the partnership if endorsed and these changes would be brought to the Joint Committee for consideration later in the year.

Members of the Committee voted to support recommendation b) ii, that the PfSH Joint Committee should endorse funding the study related to summer breeding birds if the legal view is that Bird Aware funds cannot be used for this purpose.

RESOLVED that Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that PfSH Joint Committee will be asked to:-
   i. NOTE and ENDORSE the content of this report related to the 5 Year review and the work that will now stem from this
   ii. NOTE and ENDORSE funding the study related to breeding birds if the legal view is that Bird Aware funds cannot be used for this purpose; and

c) ask the Joint Committee to support the recommendation above to fund the study related to summer breeding birds if the legal view is that Bird Aware funds cannot be used for this purpose.

9. PFSH BUDGET MONITORING 2022/23 AND PROPOSED BUDGET 2023/24

The Committee received a report from Jonathan Evans, Southampton City Council, which provides an update for the Joint Committee on the position against the approved budget for 2022/23 and sets out the proposed revenue budget for 2023/24.

Members asked if the unallocated balance of £130k within the revenue budget forecast is a typical amount. Jonathan addressed the Committee to confirm that this is an amount agreed by the Joint Committee to enable PfSH to have resources available to react to potential future opportunities that may arise.

RESOLVED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that it will be recommended to Joint Committee at its meeting on 4 April 2023 that it:-
   i. NOTES the budget monitoring position for 2022/23, as set out in the report;
   ii. NOTES that the forecast outturn from the 2022/23 budgets is provisional and may be subject to change in the final outturn budget report;
   iii. APPROVES the proposed revenue budget for 2023/24, as set out in the report;
   iv. APPROVES the partner contributions for 2023/24 as shown on table 5; and

c) considered any comments to be passed to the Joint Committee for consideration

10. UPDATE ON NUTRIENT NEUTRALITY IN THE SOLENT

The Committee received a report from Simon Kennedy, from Fareham Borough Council, which provides an update on the supply of and demand for nutrient mitigation measures around the Solent.

Members of the Committee fully supported the need for funding to cover the operational costs of the Strategic Environmental Planning Team going forward and raised concerns over the lack of money being made available to fund solutions to the nitrates issue in the Solent from Government.

The Committee also agreed to suggest to the Joint Committee that the wording of recommendation b) iv, be amended slightly to say - *AGREES that, should external funding not be available, local authorities are asked to agree to fund the operational costs to March 2025*

RESOLVED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that it will be recommended to the Joint Committee on 04 April that it:-
   i. NOTES the content of the report;
   ii. AGREES that an extension to March 2025 for the Strategic Environmental Planning Team is necessary;
   iii. AGREES that, in the first instance, external funding is sought to cover the operational costs of the Strategic Environmental Planning Team to March 2025;
   iv. suggest to the Joint Committee that the wording of this recommendation be amended slightly to say - *AGREES that, should external funding not be available, local authorities are asked to agree to fund the operational costs to March 2025.*

11. SCHEDULE OF MEETINGS 2023/24

The Committee received the PfSH schedule of meetings for 2023/24 from the Head of Democratic Services at Fareham Borough Council.

RESOLVED that the Overview and Scrutiny Committee: -

a) NOTE the dates on the schedule of meetings for the municipal year 2023/24, attached at Appendix A; and

b) NOTE that the Joint Committee will be asked to APPROVE the schedule at their next meeting

(The meeting started at 10.30 am
and ended at 11.07 am).

Report to the Partnership for South Hampshire Overview and Scrutiny Committee

Date: **28 June 2023**

Report of: **Paddy May, PfSH Coordinator**

Subject: **PFSH CO-ORDINATOR'S REPORT**

SUMMARY

The Co-ordinator's report provides an opportunity for issues which are significant, but do not justify a full report in their own right, to be brought to the attention of the Joint Committee for decision or for information. The report is divided into Parts A and B accordingly.

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that Joint Committee will be asked to NOTE the matters for information outlined in part B of the report; and

c) consider any comments to be passed to the Joint Committee for consideration.

PART A: MATTERS FOR DECISION

There are no matters for decision.

PART B: MATTERS FOR INFORMATION

1. Culture, Creative Industries and the Built Environment Themed Panel

1.1 The Coordinator's Report presented to Joint Committee in April described the ongoing conversations taking place regarding future partnership working and PfSH's future operational support for the creative and cultural industries. In particular, the commentary focussed on the review undertaken by Southern Policy Centre (SPC) of how PfSH's support for the cultural and creative industries might be strengthened through the formation of new partnerships - with the Solent Local Enterprise Partnership (LEP) taking a stronger lead.

1.2 In addition, the review's findings highlighted:

- that functional geography for the cultural and creative sector is fluid. Audiences and creative talent do not respect administrative borders.
- that Arts Council England has identified four priority places in the Solent area - the Isle of Wight, Gosport, the New Forest, Portsmouth (Rushmoor is also a 'priority place'). In addition to focussed support from PfSH and the LEPs, to gain most value from the relationship with Arts Council England, it is important for the wider area to build a stronger collective relationship.
- that there is an the opportunity to develop the screen sector in South Hampshire. The Solent LEP, CNS, Solent University and City Eye have started discussions with The British Film Institute to explore ways of collectively supporting the growth of the screen sector. Solent LEP is also developing a creative industries workstream to support this area of work.
- that the Hampshire and Surrey Chambers of Commerce are also working to ensure the needs of the creative industries are embedded, for example in the Solent Learning and Skills Improvement Plan (LSIP) and the Enterprise M3 LSIP.
- that creative industry researchers and the creation of a new network of academics will be established to serve the area will can play a significant role in promoting sector growth.

1.3 Now that this agenda has secured the attention and commitment of the LEP, there is an opportunity for greater collaborative working. In order to maximise input in this sector, these discussions continue and the development of the workstream as a priority for the LEP should be encouraged.

1.4 In the meantime, Creative Network South (CNS) is working with Hampshire Chamber of Commerce to ensure creative sector interests are embedded in the Learning and Skills improvement Plans for both the Solent and Hampshire / Surrey areas.

1.5 CNS is also working with Solent University to support and grow the development of the film sector. A second industry workshop will be held in September to follow up the first which took place in November 2022. CNS has also agreed to support Venturefest in 2023. Venturefest works with its key partners to deliver a year-round programme, and an annual Festival of Innovation, to showcase the south's talent, innovative companies and research capabilities through bringing together like-minded innovators, entrepreneurs and funders. We will seek to ensure creative success stories are showcased at events.

1.6 Charles Freeman (the PfSH Culture, Creative Industries and the Built Environment lead officer) will report fully to a future Joint Committee with expected proposals for PfSH future operational support.

2 Greenprint for South Hampshire

2.1 The Greenprint project team continue to develop the framework for action to shape a green recovery for the PfSH area, and the Portsmouth City Council pilot is proving a good test of what can be delivered locally to help achieve the wider priorities agreed by Joint Committee.

2.2 The first Greenprint conference will be held at the end of June. The aim is to share the work done to date and build a collaborative approach to securing a green recovery for our area. The Joint Committee's Chairman, Cllr Woodward, is one of the keynote speakers, and there should be useful debates and discussions led by a panel of key regional representatives and there will be a series of workshops focused on each of our priorities for action.

2.3 A full report on the June conference and next steps will be submitted to members at the autumn meeting of Joint Committee and the preceeding Overview and Scrutiny meeting.

3 Strategic Flood Risk Assessment

3.1 In 2020, at the request of member local authorities, PfSH commissioned the preparation of an updated Strategic Flood Risk Assessment (SFRA) for the PfSH region. This work is wholly funded by local authority contributions from all those wishing to be covered by the work (all PfSH member local authorities except East Hampshire District Council).

3.1 A SFRA is part of the evidence base for a local plan and collates information on all known sources of flooding that may affect existing or future development. Officials considered that a complete refresh of the existing SFRA is needed to assist in the review and preparation of local plans in compliance with Section 14 of the National Planning Policy Framework (NPPF, 2021). The current SFRA for the PfSH area was completed in 2007, with subsequent interim updates and reviews in 2012 and 2016. As such, the document and mapping are now out of date, if taking account of legislation and policy changes, as well as updates to evidence, modelling and mapping of flood risk.

3.2 Following a full procurement process led by Portsmouth City Council, AECOM was awarded the contract to undertake the work and an inception meeting took place on 10 March 2021.

3.3 Since the inception meeting in 2021 with members of the PfSH Steering Group (local authority planning officials, coastal partners, PfSH and Environment Agency), work has progressed well, but has been slowed due to updates to government planning practice guidance for flood risk assessment in August 2022. This has meant that the parameters of some modelling work had to be expanded from that originally anticipated. The modelling work has now been completed and is currently going through an internal quality assurance process, and once completed, will be shared with the PfSH SFRA Steering Group.

3.4 Work is expected to be completed on the Level 1 SFRAs for the PfSH local authorities that have requested them by the end of the summer. Portsmouth, Havant and Gosport have recently requested a further level 2 risk assessment. Level 2 strategic flood risk assessments provide a more detailed investigation of flood risk at proposed allocations - where some of the land is identified as being located in Flood Zones 2 and 3. Flood zones 2 and 3 are those considered as having a medium and high probability of flooding respectively, that is, an annual probability of river flooding between 1.0% and 0.1% and annual probability of sea flooding between 0.5% and 0.1% for Flood Zone 2. Areas within flood zone 3 have been shown to be at a 1% or greater annual probability of river flooding or 0.5% or greater annual probability of flooding from the sea.).

4. Strategic Recreation and Mitigation Partnership (Bird Aware) Key Performance Indicators (KPIs).

4.1 During the period 1 February 2023 to the end of March 2023 the Ranger team delivered the following outreach activities:

- Site visits: 193
- People interacted with on-site: 2,393
- Events: 25
- People interacted with at events: 849

4.2 KPIs

The below covers the period 1 March to the end of April 2023.

The Rangers do not conduct site visits during this period, they use this time to develop other workstreams such as codes of conduct, signage and educational resources. They also undertake the recruitment of the seasonal rangers for the following winter. They continue to conduct events and have delivered:

- Events: 7
- People interacted with at events: 245

During the same period, the Campaigns and Engagement Officer has also created several media opportunities and continued to grow our social media presence as follows:

- The Bird Aware Solent website achieved 14,387 page views, from 4,460 users within 6,651 sessions.
- The events page was the most popular on the website with 2,758 views, vacancy page received 2,754 views, and the new water-sports pages received 1,894 views. Social channels drove most traffic to the site (5k) with organic search (4k) also a common route.
- Online promotional campaigns for a variety of events achieved a total of 727 clicks and a reach of 36k. A campaign for lead ranger applicants resulted in 5k clicks and a reach of 88k. A further campaign to encourage web visits to the new 'Coast and Country Canines' website achieved more than 2k clicks and 270k impressions.
- 9 blog posts, 2 press releases, monthly radio interviews with Express FM, plus a feature on Channel 5 documentary series about Isle of Wight 'Jewel of the South'.

4.3 Social media February 2023 – April 2023

Instagram

- Number of followers 2,800 (up by 206, +8%)
- Accounts reached: 20K
- Engagement: 6.5K likes, 72 comments

Facebook

- Number of page likes 2,794 (up by 63, +2.3%)
- Accounts reached 134K
- Engagement: 2K likes, 191 comments, 139 shares, 5K clicks

Twitter

- Number of followers 2,855 (up by 51, +1.8%)
- 48k impressions
- Engagement: 1k total engagement (776 likes, 127 retweets)

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;
b) NOTES that Joint Committee will be asked to NOTE the matters for information outlined in part B of the report; and
c) consider any comments to be passed to the Joint Committee for consideration.

Background Papers: None

Reference Papers: None
Enquiries: For further information on this report please contact:

Paddy May (PfSH Co-ordinator)
Tel. No. 023 9283 4020
E-mail: paddy.may@portsmouthcc.gov.uk

Report to the Partnership for South Hampshire Overview and Scrutiny Committee

Date: **28 June 2023**

Report of: **Mel Creighton, Executive Director – Corporate Services**

Subject: **REVENUE BUDGET MONITORING AND THE STATEMENT OF ACCOUNTS 2022/23**

SUMMARY

This report to Joint Committee will summarise the outturn against the budget for the financial year 2022/23 and include presentation of the Statement of Accounts 2022/23 for approval. This report will also update the revenue budgets for 2023/24 based on the outturn position and approvals at the previous Joint Committee meeting in April 2023.

RECOMMENDATIONS

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that Joint Committee will be asked to:

   i. NOTE the outturn for the financial year 2022/23 (Table 2);

   ii. APPROVE the Statement of Accounts for the 2022/23 financial year and the Annual Governance Statement (Appendix 1);

   iii. NOTE the revenue budget for 2023/24 as set out in the report (Table 4); and

c) consider any comments to be passed to the Joint Committee for consideration.

INTRODUCTION

1. The report sets out the final outturn expenditure position against the budget for 2022/23, and presents the revenue budget for the financial year 2023/24.

RESOURCES

2. Table 1 below shows the estimated PfSH resources that were expected to be available for 2022/23, the actual income received and the expected resources available for 2023/24.

3. The expected resources for the financial year 2023/24 are the partnership balances carried forward from 2022/23, in-year partnership contributions and the expected interest on balances held by SCC on behalf of PfSH.

4. The totals for capital and revenue resources are the control totals for the budgets detailed below.

Table 1: Total Resources Available	**2022/23 Approved Budget**	**2022/23 Actual received to end Mar 23**	**2023/24 Proposed Budget**
	£000	**£000**	**£000**
Revenue Funds			
Core funding (local authorities)	125	125	133
Other contributions	0	14	
Interest on balances	0	4	4
Unallocated balances	123	123	142
Total	**248**	**266**	**279**

5. The partner contributions for 2023/24 are £132,600 following approval by the Joint Committee in April 2023. Interest rates increased fairly significantly in the year so the balances held by PfSH earned £3,748 in 2022/23 compared to £518 in the previous year.

FINAL OUTTURN 2022/23 - REVENUE

6. Table 2 below sets out the revenue budget for 2022/23, approved by the Joint Committee in February 2022 and the actual outturn.

Table 2: Revenue Allocations 2022/23	**2022/23 Approved Budget**	**2022/23 Spend to end Mar 23**	**2022/23 Under/ (Over) Spend**
	£000	**£000**	**£000**
Culture, Creative Industries & the Built Environment	28	28	0
Solent Waders Monitoring Officer		14	14
Core Projects & Central Costs	98	82	(16)
Total Core and Panel Budgets	**126**	**124**	**(2)**

7. The **unallocated balances** are the revenue reserves of the partnership. These are maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

Table 3: Unallocated Balances

	£000
Balance brought forward into 2022/23	123
To fund 2022/23 expenditure	(124)
Contribution income 2022/23	125
Other income 2022/23	14
Interest income 2022/23	4
Balance at end of 2022/23	**142**

8. Updates on the work of the delivery panels are included in the Co-ordinator's report to each of the Joint Committee meetings. A report on the future of the **Culture, Creative Industries & the Built Environment** was presented to the Joint Committee in September 2022.

9. The **Core Projects & Central Costs** budget reflects commitments relating to staffing costs and other ongoing revenue activities led by the PfSH central team.

10. **Unallocated Balances -** There were no additional allocations to delivery panels during the year from unallocated balances. The balance will be used to fund potential future work of the partnership as and when opportunities arise.

2022/23 STATEMENT OF ACCOUNTS

11. The Statement of Accounts for the 2022/23 financial year and the Annual Governance Statement are presented for approval in Appendix 1. These statements have been reviewed by internal audit and, based on the testing conducted, assurance has been given that adequate financial systems and controls are in place for the administration of the PfSH accounts.

REVENUE BUDGET 2023/24

12. The revenue budget allocations for 2023/24 are shown in table 4. This is based on the 2023/24 budget as approved by the Joint Committee in April 2023. The Core and Panel budgets are unchanged but the figures below include the additional budget allocation to Bird Aware Solent for the summer breeding birds study and to update the value of the unallocated balances following year-end.

Table 4: Revenue Allocations 2023/24	2023/24 Budget Allocation £000
Culture, Creative Industries & the Built Environment	15
Brent Goose Strategy	14
Bird Aware – Summer Breeding Bird Study	15
Core Projects & Central Costs	104
Total Core and Panel Budgets	**148**

13. It is proposed that an **Unallocated Balance** of around £131,000 will be maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

Table 5: Unallocated balances

	£000
Balance at end of 2022/23	**142**
To fund 2023/24 budget	(148)
Contribution income 2023/24	133
Interest income 2023/24	4
Forecast balance at end of 2023/24	**131**

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that Joint Committee will be asked to:

i. NOTE the outturn for the financial year 2022/23 (Table 2);

ii. APPROVE the Statement of Accounts for the 2022/23 financial year and the Annual Governance Statement (Appendix 1);

iii. NOTE the revenue budget for 2023/24 as set out in the report (Table 4); and

c) consider any comments to be passed to the Joint Committee for consideration.

Background Papers:

Appendix 1 - Statement of Accounts for the 2022/23 financial year and the Annual Governance Statement
Joint Committee 4 April 2023 – Item 9: Budget Report
Joint Committee 4 April 2023 – Item 8: Bird Aware Solent
Joint Committee 22 September 2022 – Item 9: The Future Operations of the Culture, Creative Industries and Built Environment Panel

Enquiries:
For further information on this report please contact:

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T: 023 8083 3528
E: mel.creighton@southampton.gov.uk

Jon Evans, Finance Business Partner
T: 023 8083 3162
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Appendix 1

Partnership for South Hampshire

Statement of Accounts 2022/23

PARTNERSHIP FOR SOUTH HAMPSHIRE
STATEMENT OF ACCOUNTS 2022/23

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EXPLANATORY FOREWORD

1. Introduction

This document contains the Partnership for South Hampshire's (PfSH) Statement of Accounts for the year ended 31 March 2023.

This foreword contains:

- a summary of the various statements which make up the 2022/23 accounts;
- a broad picture of where the money comes from and what it is spent on; and
- a summary of the revenue expenditure on services and capital expenditure over the course of the year.

2. Summary of Statement of Accounts.

The accounts for 2022/23 are set out on pages 6 to 17**.** They consist of the following**:**

- Statement of Accounting Policies – sets out the policies adopted by the Joint Committee in preparing the Accounts.
- Statement of Responsibilities for the Statement of Accounts – records the respective responsibilities of the Joint Committee and Chief Financial Officer.
- Income and Expenditure Account – reports the net cost for the year of all the functions for which the Joint Committee is responsible and how they have been financed.
- Statement of Movement on General Fund Balance – discloses the adjustments necessary to determine the movement on the General Fund Balance
- Balance Sheet – this sets out the financial position on 31 March 2023.
- Cash Flow Statement - this summarises cash coming in or going out from transactions with others for revenue and capital purposes.

In addition, the Annual Governance Statement, which reviews the effectiveness of the system of internal control, is included on pages 18 to 23.

3. Overall financial position

As PfSH is not able to own any assets, the balance sheet total mainly represents the balance of funding being carried forward to the next financial year to fund ongoing PfSH programmes. The balance sheet position as at 31 March 2023 reflects an increase of £18,695 compared to the previous year.

Revenue funding for 2022/23 was made up of carried forward of balances from 2021/22 and in year partner contributions.

Subscriptions for 2023/24 were agreed by the Joint Committee on 4th April 2023. This will enable the partnership to fund committed projects, undertake work in 2023/24 and maintain an appropriate level of resources in reserves.

4. Where the money comes from

The Joint Committee's income in 2022/23 came from the carry forward of balances along with interest earned on those balances. Interest rates increased fairly significantly during 2022/23 so the balances held by PfSH earned £3,748 in 2022/23 compared to only £518 in the previous year.

Table 1: Total Resources Available

	2022/23		
	Approved Budget	Actual received	Difference
	£000s	£000s	£000s
Revenue Funds			
Core funding (local authorities)	125	125	0
Other contributions		14	14
Interest on balances		4	4
Unallocated balances	123	123	0
Total	**248**	**266**	**18**

5. Overview of the year – revenue expenditure

The main components of the 2022/23 revenue budget and actual expenditure are set out in Table 2 below.

Table 2 Revenue Allocations

	2022/23		
	Approved Budget	Total Spend	(Under)/ Over Spend
	£000s	£000s	£000s
Culture, Creative Industries and the Built Environment	28	28	0
Solent Waders Monitoring Officer		14	14
Core Projects & Central Costs	98	82	(16)
Total	**126**	**124**	**(2)**

6. Unallocated Balances

The unallocated balances are the revenue reserves of the partnership. This is maintained to enable the partnership to have resources available to react to potential future opportunities as they arise.

	£000
Balance brought forward into 2022/23	123
To fund 2022/23 expenditure	(124)
Contribution income 2022/23	125
Other income	14
Interest income 2022/23	4
Balance at end of 2022/23	**142**

7. Further information

Further information can be obtained about the accounts from Mel Creighton, the Chief Financial Officer to the Partnership for South Hampshire Joint Committee at the Finance Department, Southampton City Council, The Civic Centre, Southampton, Hampshire, S014 7LY, telephone 023 8083 4897 or Email mel.creighton@southampton.gov.uk.

STATEMENT OF ACCOUNTING POLICIES

1. General principles

1.1 The accounts have been prepared in accordance with standard accounting practice. Any significant non-compliance is explained in the following notes.

2. Debtors and creditors

2.1 Debtors and creditors have been accrued in accordance with standard accounting practice.

3. Accounting for VAT

3.1 Claims for re-imbursement from other local authorities are paid net of VAT. Any claims from other bodies not able to reclaim VAT are paid gross.

4. Interest

4.1 Interest is calculated using the 6-month gilt yield average interest rate on the average fund balance held by Southampton City Council on behalf of PfSH.

5. Liquid Resources and Cash

5.1 The Joint Committee includes cash in its categorisation of liquid resources on the basis that this is actually held as cash. No other resources are held that are readily convertible to cash.

6. Fair Value

6.1 All financial assets and financial liabilities carried in the statements are short term so have been valued at face value, which is a reasonable assessment of fair value.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS - JOINT COMMITTEE

1. The Joint Committee's responsibilities

The Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. For this Joint Committee, that officer is the Chief Financial Officer.
- To manage its affairs so as to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

2. The Chairman's Statement

I certify that the Statement of Accounts for 2022/23 were considered and approved at the Joint Committee meeting on 11th July 2023

Councillor Seán Woodward

Chairman – Joint Committee

11th July 2023

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS - CHIEF FINANCIAL OFFICER

1. The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Joint Committee's Statement of Accounts in accordance with proper practices as was agreed with the Audit Commission.

In preparing this statement of accounts, the Chief Financial Officer has sought to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that were reasonable and prudent.

The Chief Financial Officer has also:

- kept proper records which are up to date,
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

2. The Chief Financial Officer's statement

I certify that the Statement of Accounts presents fairly the financial position of the Partnership for South Hampshire as at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Mel Creighton

Chief Financial Officer

11th July 2023

Appendix 1

INCOME AND EXPENDITURE ACCOUNT

Net Expenditure 2021/22 £		Revenue Expenditure £	Specific Income £	Net Revenue Expenditure £	Net Expenditure 2022/23 £
	Cultural, Environmental and Planning Services:				
12,500	Culture, Creative Industries & The Built Environment	28,300		28,300	28,300
(121,093)	Local Growth Deal (Solent Recreation Mitigation Project)				
(108,593)		**28,300**		**28,300**	**28,300**
	Corporate and Democratic Core:				
95,515	Central Costs	96,253	(14,000)	82,253	82,253
95,515		**96,253**	**(14,000)**	**82,253**	**82,253**
(13,078)	**Net Cost of Services**	**124,553**	**(14,000)**	**110,553**	**110,553**
(518)	Interest Received				(3,748)
(13,596)	**Net Operating Expenditure**				**106,805**
(75,750)	Partnership Contributions				(125,500)
300,654	**Surplus(-)/Deficit(+) for Year**				**(18,695)**

Appendix 1

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income & Expenditure account shows actual financial performance for the year, measured in terms of resources consumed, and generated over the last 12 months. However, the General Fund balance takes account of reserves built up in the past and contributions to reserves for future expenditure. This statement summarises the differences between the outturn on the Income & Expenditure account and the General Fund balance.

2021/22 Total £		2022/23 Total £
(423,881)	General Fund Balance Brought Forward	(123,227)
300,654	Surplus(-)/Deficit(+) for the year on the Income and Expenditure Account	(18,695)
123,227	**Balance on General Fund Carried Forward**	**(141,922)**

BALANCE SHEET

2021/22 £		2022/23 £
	Current Assets:	
24,500	Debtors	9,000
115,227	Cash	149,909
139,727	**Total Current Assets**	**158,909**
	Current Liabilities:	
16,500	Creditors	16,987
16,500	**Total Current Liabilities**	**16,987**
123,227	**Net Current (Liabilities)/Assets**	**141,922**
	Financed By:	
	General Reserves:	
123,227	For Revenue Purposes	141,922
123,227		**141,922**

CASH FLOW STATEMENT

2021/22 £		2022/23 £
	Revenue Activities	
	Cash Outflows:	
278,695	Operating Costs	124,066
278,695		**124,066**
	Cash Inflows:	
(74,850)	Other Income	(155,000)
(74,850		**(155,000)**
203,845	**Net Cash inflow(-)/outflow(+) from revenue activities**	**(30,934)**
	Returns on Investments and Servicing of Finance	
	Cash Inflow:	
(518)	Interest Received	(3,748)
(518)	**Net Cash inflow(-)/outflow(+) from Servicing of Finance**	**(3,748)**
	Capital Activities	
	Cash Outflows:	
(121,093)	Grants for Capital Purposes	0
	Cash Inflows:	
390,000	Capital grants	0
268,907	**Net Cash inflow(-)/outflow(+) from Capital Activities**	**0**
472,234	**Net Cash Inflow(-)/Outflow(+)**	**(34,682)**

Note: Cash inflows are shown as negative numbers (-), outflows as positive.

ANNUAL AUDIT RETURN

	Y/E 31 Mar 2023 £	Y/E 31 Mar 2022 £
1. Balances Brought Forward	**123,227**	**423,881**
2. Income From Local Taxation and/or Levy		
3. Total Other Receipts	143,248	(313,732)
4. Staff Costs		
5. Loan Interest/Capital Repayments		
6. All Other Payments	124,553	(13,078)
7. Balances Carried Forward (1+2+3-4-5-6)	**141,922**	**123,227**
8. Total Cash and Short Term Investments	149,909	115,227
9. Total Fixed Assets and Long Term Assets		
10. Total Borrowings	(7,987)	8,000

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Interest Received

1.1 Interest is calculated using the 6 month gilt yield average interest rate on the average fund balance held by Southampton City Council on behalf of PfSH.

2. Partner Contributions to PfSH

2.1 The table below shows the contributions made by each partner in 2021/22.

Council	2022/23	2021/22
	£	£
East Hampshire District Council	1,000	900
Eastleigh Borough Council	7,000	5,200
Fareham Borough Council	6,000	5,200
Gosport Borough Council	4,500	3,500
Hampshire County Council	39,000	22,700
Havant Borough Council	6,500	5,200
New Forest District Council	9,500	3,500
New Forest National Park Authority	1,000	750
Portsmouth City Council	22,000	15,700
Southampton City Council	25,000	10,500
Test Valley Borough Council	2,000	1,700
Winchester City Council	2,000	900
	125,500	**75,750**

3. Payments from PfSH to Partners

3.1 The table below sets out payments made to partners from PfSH:

Council	2022/23	2021/22
	£	£
Portsmouth CC	67,888	332,422
Southampton CC	14,365	12,000
Total Payments to Partners	**82,253**	**344,422**

4. Debtors

	2022/23 £	2021/22 £
Other Local Authorities	9,000	24,500

5. Creditors

	2022/23 £	2021/22 £
Other Local Authorities	16,987	16,500

6. Reconciliation of Income and Expenditure Account to net cash inflow from revenue activities

	2022/23 £	2021/22 £
Surplus(-)/Deficit(+) on Income & Expenditure Account	(18,695)	31,747
Increase(+)/Decrease(-) in Debtors	(15,500)	900
Increase(-)/Decrease(+) in Creditors	(487)	170,680
Increase(-)/Decrease(+) in Receipts in Advance		
Less Interest Received	3,748	518
Net Cash inflow(-)/outflow(+) from revenue activities	**(30,934)**	**203,845**

7. Reconciliation of Income and Expenditure Account to net cash inflow from capital activities

	2022/23 £	2021/22 £
Surplus(-)/Deficit(+) on Income & Expenditure Account	0	268,907
Increase(+)/Decrease(-) in Debtors		
Increase(-)/Decrease(+) in Creditors		
Increase(-)/Decrease(+) in Receipts in Advance		
Net Cash inflow(-)/outflow(+) from capital activities	**0**	**268,907**

8. Reconciliation of the Movement in Cash

	2022/23 £	2021/22 £
Increase(+)/Decrease(-) in Cash	34,682	(472,234)
Represented by:		
Net Movement from Revenue	30,934	(203,845)
Net Movement from Capital	0	(268,907)
Net Movement from returns on investment	3,748	518

9. Financial Instruments

9.1 In accordance with Financial Reporting Standard (FRS 102) debtors, payments in advance and temporary lending are classified as loans and receivable financial instruments. Creditors (note 7), receipts in advance and temporary borrowing are classified as financial liabilities at amortised cost. All such elements included in the Balance Sheet are short term and have been valued at face value, which is a reasonable assessment of fair value.

9.2 Credit risk arises from deposits with other institutions, as well as credit exposures to PfSH's debtors. As surplus cash is temporarily invested with Southampton City Council, PfSH is exposed to minimal risk. PfSH's debtors are generally other public sector bodies.

9.3 PfSH has access to temporary borrowing from Southampton City Council's cash surpluses, so there is no significant liquidity risk of not being able to raise finance. There is no investment in equity shares or other shareholdings, and no financial assets or liabilities in foreign currencies so no exposure to either price risk or exchange rate risk.

9.4 In summary, the risks to which PfSH is exposed to are minimal and therefore it is not considered necessary to perform any sensitivity analysis of the above risks as any changes to the risks would be unlikely to be material to these accounts.

10. Authorisation to Issue the Accounts

10.1 These Accounts were authorised for issue on 11th July 2023 by the Chief Financial Officer, and events after the balance sheet date have been considered to this date.

11. Related Party Transactions

11.1 PfSH is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence PfSH or to be controlled or influenced by PfSH. Disclosure of these transactions allows readers to assess the extent to which PfSH might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with PfSH. There were no related party transactions.

11.2 Central government has effective control over the operations of PfSH - it is responsible for providing the statutory framework within which PfSH operates and has provided the majority of its funding in the form of grants.

11.3 Members of the Joint Committee have direct control over PfSH's financial and operating policies, and notes 3 and 4 set out the transactions with the parent councils of the members of the Joint Committee. No grants were awarded in 2022/23 to related party organisations.

Annual Governance Statement

1. Scope of responsibility

1.1 The Partnership for South Hampshire ("PfSH") is a Joint Committee comprising 11 local authorities and one National Park Authority ("the Councils"). The primary governance arrangements that apply directly to those members and officers of the Councils who are engaged in PfSH activities are those maintained by their own individual local authority (for example, Codes of Conduct). The relationship between the Councils in respect of PfSH are set out in the Joint Agreement ("the Agreement") which has been approved by each of the Councils at a full council meeting. A copy of the Agreement is available at:

https://www.PUSH.gov.uk/partnership/working-arrangements/governance/

1.2 Southampton City Council's Service Director: Legal & Business Operations has also been appointed as the Lead Advisor on legal and constitutional issues for PfSH, and also the statutory Monitoring Officer for PfSH. As such, the Southampton City Council governance arrangements take precedence, and form the basis of PfSH's governance framework for the operation of the Joint Committee and its activities.

1.3 Southampton City Council is the lead authority for financial matters, and Southampton City Council's Executive Director – Corporate Services is also the statutory Chief Financial Officer ("CFO") for PfSH.

1.4 PfSH ("the Joint Committee") is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

1.5 In addition to the Agreement, the Joint Committee reviewed the governance arrangements at its meeting of 15 October 2021, and the report is available at:

(Public Pack)Agenda Document for Partnership for South Hampshire (PfSH) Joint Committee, 25/10/2021 18:00 (push.gov.uk)

1.6 The Financial Protocols ("the Protocols") for PFSH were reviewed at the meeting of 28 January 2014, and these are available at:

https://www.PUSH.gov.uk/wp-content/uploads/2018/07/Item-7-Annex-A-Revised-Financial-Protocols.pdf

2. The purpose of the governance framework

2.1 The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2.3 The governance framework has been in place for the Joint Committee for the year ended 31 March 2023 and up to the date of approval of the statement of accounts.

3. The Governance Framework

3.1 The following describes the key elements of the systems and processes that comprise the Joint Committee's governance arrangements including arrangements for:

Identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users:

3.2 The sub-regional strategy for South Hampshire sets out objectives for growing prosperity and improving the quality of life. Those objectives need to be translated into actions that will deliver change. PfSH's Business Plan sets out how the sub-regional strategy is to be delivered. The 2021 - 2025 Business Plan was considered by the Joint Committee 15th October 2021.

Reviewing the Joint Committee's vision and its implications for the governance arrangements:

3.3 Southampton City Council has adopted a Code of Corporate Governance ("CCG") which identifies in one core document how the Council ensures that it runs itself in a lawful, structured, ethical and professional manner. The CCG is administered by the Monitoring Officer and is updated periodically by the Council's Standards and Governance Committee. As PfSH follows Southampton's governance arrangements (its Constitution etc), Southampton's CCG reflects and represents PfSH's governance arrangements. The full document is published on the City Council's internet site at:

https://www.southampton.gov.uk/media/fsinhz4z/code-of-corporate-governance-feb-2021.pdf

Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources:

3.4 The Joint Committee has adopted a Performance Framework which sets out PfSH's overall approach to secure on-going improvements across a wide range of services that are provided to local residents and businesses.

3.5 The Joint Committee set budget allocations across the Delivery Panels and covering the core PfSH organisational costs at its meeting of 4th April 2023.

3.6 Budget reports are considered by the Joint Committee periodically through the year.

3.7 These reports are available at:

https://www.PUSH.gov.uk/work/our-meetings/joint-committee/

Defining and documenting the roles and responsibilities of the executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication:

3.8 The Joint Committee has a Joint Agreement, Governance Framework and Financial Protocols setting out how it operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Joint Committee to choose.

3.9 The Governance Framework and Financial Protocols set out the detailed rules governing the Joint Committee's business including details of the scheme of delegation that provide for delegation to senior officers (Lead Chief Executives and the Executive Director).

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff:

3.10 Members and officers acting on behalf of PfSH are required to follow their individual authority 'Members' Code of Conduct' or 'Officer Code of Conduct' as appropriate.

3.11 The Members' Code covers areas of individual behaviour such as Members not abusing their position or not misusing their authority's resources. In addition there are rules governing disclosure of private interests and withdrawal from meetings where Members have relevant interests. Members are also required to record on the public register their financial and other interests.

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

3.12 The Joint Agreement sets out how the Joint Committee operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. This includes information on how the Joint Committee operates, how decisions are made and the role of overview and scrutiny.

3.13 Periodically, as appropriate, the Monitoring Officer, together with the CFO, conducts a review of the Joint Committee's governance arrangements, which are considered by the Joint Committee from time to time.

3.14 All reports submitted to the Joint Committee for a decision must receive legal and financial clearance prior to publication in accordance with the published procedures.

Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

3.15 It is not practical for PfSH to have a formally constituted Audit Committee whose role would be to provide independent assurance to the Joint Committee or Overview and Scrutiny Committee on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement. The Joint Committee therefore acts in this capacity directly to receive the accounts, annual governance statement and the reports of the appointed auditor.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful:

3.16 It is the role of the Monitoring Officer and the CFO to ensure compliance with relevant laws and regulations and that expenditure is lawful. This is achieved through the governance framework including the Joint Agreement itself and the Financial Protocols.

Whistle-blowing and receiving and investigating complaints from the public:

3.17 Any complaints received by the Joint Committee in respect of unlawful conduct, illegality, financial malpractice or dangers to the public, employees or the environment would be dealt with by the Monitoring Officer, in line with Southampton City Council's procedures.

3.18 The Joint Committee does not employ staff directly, but rather by the relevant constituent authorities. Each council is required to have its own whistle blowing policy, and staff can utilise these for any activities of PfSH.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training:

3.19 The Councils individually have their own programmes for member and senior officer learning and development to cover general development needs. From time to time, PfSH organises member and senior officer workshops to address emerging development needs specific to the Joint Committee.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:

3.20 PfSH has established a Communications Strategy. In addition, the Joint Committee is able to draw on the existing communication channels of the Councils.

4. Review of effectiveness

4.1 The Joint Committee has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the appropriate officers.

4.2 The review process applied in respect of maintaining and reviewing the effectiveness of the system of internal control, is informed by:

- the work of Members/Officers within the Joint Committee;
- audit and other periodic reports from the Internal Auditor;
- reports received from service review agencies or inspectorates where appropriate

5. The Joint Committee

5.1 The Joint Agreement forms the cornerstone of effective corporate governance, supported by the Governance Framework and the Financial Protocols. It has been approved by the full Council meetings of each of the partner local authorities.

6. The Overview and Scrutiny Committee

6.1 The Joint Agreement establishes a Joint Overview and Scrutiny Committee with the following terms of reference:

- To scrutinise and call in Joint Committee decisions.
- To scrutinise in particular the PfSH Business Plan and its delivery.
- In respect of any call in:
  - To review decisions made in accordance with the approved business plan and where they consider it appropriate, refer such decisions back to Joint Committee with comments for reconsideration;
  - To review decisions not made in accordance with the approved business plan where they may either refer such decisions back to Joint Committee with comments for reconsideration or refer the decision back to individual authorities. The Council has a formally constituted Audit Committee whose role it is to provide independent scrutiny.

7. The Joint Committee acting as an Audit Committee

7.1 The Joint Committee receives reports to meet certain statutory obligations, such as approving the Annual Governance Statement and the Statement of Accounts.

8. Internal audit

8.1 The Joint Committee does not operate an Internal Audit function. However, the Southampton City Council / Portsmouth City Council shared internal audit service undertakes an assurance role that provides an independent and objective opinion to the CFO and to the external auditor that adequate financial systems and controls are in place. The audit plan for PfSH is agreed with the CFO.

9. Other review/assurance mechanisms.

9.1 The Annual Governance Statement is reviewed each year. This statement, insofar as it is applicable to a Joint Committee, follows the guidance set out within the CIPFA framework: “Delivering Good Governance in Local Government”.

10. Significant governance issues

10.1 No significant governance issues have been identified, however we will continue to review our governance arrangements from time to time and on at least an annual basis.

10.2 We propose over the coming year to take appropriate steps to address matters arising out of such reviews to further enhance our governance arrangements. We are satisfied that this will address the need for any improvements that might be identified in our review of effectiveness and will monitor their implementation and operation as part of any subsequent review.

Signed _____

Councillor Seán Woodward, Chairman.
11th July 2023

Signed _____

Paddy May, PfSH Co-ordinator.
11th July 2023

Report to the Partnership for South Hampshire Overview and Scrutiny Committee

Date: **28 June 2023**

Report of: **Deborah Whitfield**
Senior Nature-Based Solutions Manager
Hampshire and Isle of Wildlife Trust

Subject: **PFSH UPDATE ON THE SOLENT WADERS AND BRENT GOOSE STRATEGY**

SUMMARY

In February 2022, Joint Committee agreed the Solent Waders and Brent Goose Steering Group's request for annual PfSH funding of £14k. The funding provides for an officer post to resource improved communications, access to mapping and data, and help with identifying suitable low-use site mitigation projects. The report to Joint Committee provides an update on the progress of the elements of the Solent Waders and Brent Goose Strategy (SW&BGS) funded by the PfSH local planning authorities. The SW&BGS aims to identify, conserve and enhance sites that functionally support the Special Protection Areas (SPAs) of the Solent sub-region, and advise on mitigation for unavoidable impacts. This proposal is aligned to, and complements, the work of Bird Aware Solent, and seeks to benefit local planning authorities by monitoring the impact of development on SPAs.

The work is delivered by the Coastal Birds Project Monitoring Officer hosted by Hampshire and Isle of Wight Wildlife Trust. The majority of the post is funded by Bird Aware Solent with a proportion funded by PfSH to deliver key elements of the SW&BGS Strategy outlined below. These are separate projects but have clear synergies benefiting from this joined up approach.

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that Joint Committee will be asked to NOTE the contents of the report; and

c) consider any comments to be passed to the Joint Committee for consideration.

BACKGROUND

1. The Strategy

1.1 The Solent Wader and Brent Goose Strategy (SW&BGS) aims to identify, conserve and enhance inland sites that form the ecological network used by overwintering wading birds and brent geese. These sites functionally support the Special Protection Areas (SPAs) of the Solent sub-region and any losses or impacts of development to these sites must therefore be mitigated. The SW&BGS has proven to be a useful tool for planners, developers, statutory consultees, and the NGO sector to support these aims.

1.2 The SW&BGS explains the conservation need, survey and analyses methodologies and recommended conservation policies. This is supported by interactive mapping of SW&BGS sites and mitigation guidance which aims to inform mitigation and offsetting requirements where impacts cannot be avoided.

1.3 The Strategy is a vital tool for local planning authorities, informing decision-making by providing key spatial information, as well as a mechanism for effective mitigation. This has been demonstrated recently in the cases of on-site provision, for example, developments at Forty Acres and Sinah Lane and off-site provision for Newlands Lane (mitigation project located at Gunner Point).

2. Project Governance

2.1 The strategy is overseen by a steering group consisting of representatives from Hampshire and Isle of Wight Wildlife Trust (HIWWT), Coastal Partners, the RSPB, local authority planning ecologists, Hampshire Ornithological Society and Natural England. The steering group meet quarterly to discuss survey updates, mitigation guidance, planning casework, local plans and mitigation projects.

2.2 Mapping and data analyses for the Strategy are carried out by HIWWT; all updates are shared electronically with the local planning authorities directly, and via Hampshire Biodiversity Information Centre (HBIC) - which also share the data with consultants and others making requests via their biological data request service.

2.3 The mitigation guidance, informed by the strategy and available data, is produced by Natural England with input from the Steering Group. In 2017, the local planning authorities were consulted on offsetting and mitigation guidance and their comments included in the final published version. The guidance was then sent to Natural England's legal team, reviewed by a solicitor, and a Habitats Regulations senior specialist. The update to the strategy document published in 2020 was disseminated to the local planning authorities in May 2020.

2.4 The Strategy has a website where the strategy document, mitigation guidance and a summary of the mapping are published. The website can be found here.

3. General Update (April 2022-March 2023)

Annual Meetings with Local Planning Authorities

3.1 As outlined in the approved funding proposal, meetings were offered and/or held with each PfSH local planning authority to discuss sites likely to be impacted by forthcoming development. Through this communication opportunity, the SW&BGS officer was able to prepare specific planning case information and advise the relevant local planning authority officers in good time. Advice has also been provided for mitigation management plans. Advice on managing the features of SW&BGS sites has been provided and incorporated into a large-scale natural capital scheme currently being developed on the New Forest coast.

3.2 It is proposed a number of “drop-in” sessions are organised this year for further advice and follow ups, the first session will be held in August 2023. All planning officers and district ecologists will be contacted and offered SW&BGS officer time for any specific cases, as well being invited to attend the drop-in sessions.

Annual Data and Mapping Update

3.3 Individual updates have been sent directly to local planning authorities with bespoke and dated maps where SW&BGS sites have changed either classification or boundaries. The online mapping has been regularly updated and shared as a live link. The SW&BGS site wide data and mapping update will be carried out this year and all changes will be shared with local planning authorities directly, ahead of publication.

Mitigation Projects

3.4. The SW&BGS officer has been working to identify potential mitigation projects. Guidance on site suitability, a scoring system and a call for sites application form have been approved and published on the SW&BGS website. The SW&BGS officer has met with the PfSH Strategic Environmental Planning Manager to discuss opportunities across the Solent for SW&BGS (alongside nutrient neutrality and BNG). To date, we have had three potential mitigation project enquiries (one on the mainland and two on the Isle of Wight), one has been progressed to steering group assessment and approval.

Collation of information on site mitigation monitoring

3.5 The SW&BGS officer has begun collating information on existing mitigation projects across the Solent. This will be available for publication next year in map form and key projects will be written up as case studies. Information on bird refuge habitat creation and enhancement has been published by the SW&BGS officer on the SW&BGS website. This will enable case officers and district ecologists to assess mitigation and management proposals against best practice.

Additional Work

3.6 In addition, the SW&BGS officer has commissioned a new SW&BGS logo and refreshed the website. Formal advice from the SW&BGS Steering Group can now be issued with the logo on headed paper. The SW&BGS officer has also

updated the website with information on site management and guidance for land managers wishing to conserve areas for waders and Brent geese and options via countryside stewardship.

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that Joint Committee will be asked to NOTE the contents of the report; and

c) consider any comments to be passed to the Joint Committee for consideration.

Reference Documents:-

PfSH Support for the Solent Waders and Brent Goose Strategy, 14 February 2022

Enquiries:-

For further information on this report please contact:

Deborah Whitfield
Senior Nature-Based Solutions Manager
Hampshire & Isle of Wildlife Trust

E: deborah.whitfield@hiwwt.org.uk

Report to the Partnership for South Hampshire Overview and Scrutiny Committee

Date: **28 June 2023**

Report of: **Simon Kennedy, PfSH Strategic Environmental Planning Manager**

Subject: **LOCAL NUTRIENT MITIGATION FUND**

Summary

The report to Joint Committee will set out the proposed use of potential funding for the purposes of nutrient mitigation. Following submission of an expression of interest for funding, the information in the report sets out the recommended approach to best utilise any funds that may become available. Although there is no funding certainty at this time, it will be important for the Partnership for South Hampshire Joint Committee to agree the general approach to the use of funding at this stage. This approach will avoid delay in the delivery of mitigation schemes, whilst also meeting the requirements of the funding in terms of delivery timescales.

Recommendation

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that the Joint Committee will be asked to:
   i. NOTE the contents of the report
   ii. AGREE the outline approach for use of the Local Nutrient Mitigation Fund should funding become available
   iii. APPROVE implementation of the following projects on receipt of funding
      - Water efficiency project
      - Small wastewater treatment works and septic tank upgrade project;
   iv. AGREE that a further report come back to the Joint Committee about the proposed governance needed for delivery of any project not listed in recommendation iii; and

c) consider any comments to be passed to the Joint Committee for consideration.

1. Background

1.1 This report relates directly to both the Department for Levelling Up Housing and Communities (DLUHC) call for expressions of interest for Local Nutrient Funding, and the Partnership for South Hampshire 4 April Joint Committee update on nutrient neutrality.

1.2 On 12 April, DLUHC announced a call for evidence and expressions of interest in a Local Nutrient Mitigation Fund (LNMF). This included an invitation for local planning authorities affected by nutrient neutrality advice to submit costed projects or strategies for delivering nutrient mitigation - specifically aimed at unlocking housing delivery in catchments of Habitats Sites affected by nutrient pollution. The initial call for expressions of interest required submission by 30 May. The fund is a grant fund with any income derived from the delivery of schemes to be delivered into further projects on a catchment basis.

1.3 At the meeting of Joint Committee on 4 of April, Joint Committee members were advised that there is a need for a continuous supply of new mitigation options to come forward in order to meet the needs of planned growth across the Solent. The update on 4 April also showed that the private supply of mitigation is often not sufficient to secure a 5-year supply across all the catchments in the Solent and has as yet been unable to mitigate the impacts of phosphorus from development in the mid and upper Itchen catchment area.

1.4 Due to the short timescale available to submit an expression of interest for the LNMF, and the subsequent need to submit the proposal outside the PfSH Joint Committee process, authority was granted by the Chairman of the Partnership for South Hampshire to submit an expression of interest for funding of £12,595,000.

1.5 The submitted expression of interest has been made using a portfolio of projects approach. The submitted projects have been selected primarily for the purpose of ensuring that new homes can be delivered across the Solent sub-region and target areas of shortfall identified in the 4 April update report.

2. Approach to the use of funding

2.1 Following the release of the LNMF, substantive engagement was undertaken with the Partnership for South Hampshire Planning Officers Group, as well as key partners such as Natural England and the Environment Agency. The approach to the use of funding proposed reflects that engagement, and has the approval of the Planning Officers Group as an appropriate use of the funds. PfSH chief executives have also been consulted. There are a number of key principles that underpin both the funding and the approach for the use of funding as described in the following paragraphs.

2.2 A portfolio of projects approach has been used to support the expression of interest in order to help mitigate delivery risk. A summary of the costed projects which make up the submitted expression of interest are outlined in section 3 of this report. Should any project be unable to be delivered as anticipated, or is

funded in a different way, then the available funding will be cascaded to support other projects.

2.3 The selection of projects proposed to be delivered is based on our sound knowledge of the supply and demand of mitigation across the Solent and is specifically targeted at the areas that are most in need. This approach has significant benefits for all authorities in the Solent by ensuring that the demand for new development in the Partnership for South Hampshire area is not supressed through the requirements of nutrient neutrality.

2.4 Projects are designed to be financially sustainable in terms of capital expenditure, a key requirement of the funding is to deliver schemes which provide sufficient income to fund future schemes. Although initial schemes are targeted at specific catchment areas, future schemes would have the ability to be delivered across all individual local authority areas.

2.5 The extent of available funding is insufficient to satisfy the total demand for nutrient mitigation across the Solent area, as such any local authority led scheme must operate alongside the private market and must not provide mitigation at a lower value than other local authority led schemes.

2.6 In order to deliver the projects, it is possible that a legal vehicle will need to be created to manage the purchase of assets and contract with the development industry for the purposes of selling mitigation credits. An early discussion as to how colleagues see any such legal vehicle being delivered will be essential to delivery. Members should be aware that, if the decision is made to agree the recommendations, Joint Committee would be committing to the use of the potential funding set out in this report without the necessary legal vehicle (although alternative mechanisms may exist), or resources, for them to take place. These discussions have not yet taken place due to the limited timescales allowed between the announcement of the funding and the deadline for submitting expressions of interest. Members should be mindful that existing in-house legal resources are limited and other additional resources may need to be found.

3. Summary of portfolio of projects

Resource funding

3.1 Although the LNMF is primarily focused on capital funding, it states that some resource funding is available. Following agreement by Joint Committee on 4 April, an expression of interest was made to resource the Strategic Environmental Planning Team until April 2025. Additional resource funding was also requested to facilitate project delivery in the event that funding is granted. The additional resource funding also includes legal resource for the possible creation of a legal vehicle to support delivery of projects that may arise from the funding.

Water efficiency measures on council managed housing stock (retrofit)

3.2 A programme of retrofitting managed housing stock with water efficiency measures. Where wastewater treatment works have a permit limit, the reduction in water use has an associated reduction in nutrient pollution.

3.3 Some retrofitting of properties has already taken place within the Solent for the purposes of mitigation for total nitrogen. However, when investigating similar work for Winchester City Council, it was clear that differences in existing specifications, rate of void properties, and receiving wastewater treatment works - all act to make a single case study insufficient to prove the feasibility of the solution for all councils who manage their own housing stock. On this basis it is intended for this project to be made up of three separate case studies which, while producing mitigation, will also provide a robust evidence base for further councils to consider similar measures. The case study authorities have been selected due to their location in the catchments with the most demand for mitigation.

3.4 On receipt of funding, it is proposed that the lead authority will directly fund the receiving authority to undertake the works through in-house management teams or retained contractors. At the completion of the project the evidence derived from the project will be made available to all authorities to inform decision making in relation to other schemes.

3.5 The purpose of this project is not to make mitigation arising from the works available to the open market - the primary purpose of the project is to prove the principles that will allow council housing teams to deliver sufficient mitigation for their own new build programs.

3.6 Mitigating for nutrients in this way has a number of benefits. Of particular note is the ability of council housing providers to deliver council homes for those most in need through retrofitting of their own stock. This has the potential to secure council led affordable homes programs, at a reduced cost when compared against obtaining mitigation from the open market. Additionally, this project has benefits in terms of water resource management and lower water bills for residents where they are metered. Due to the low level of risk associated with implementing this project, it is proposed that the project is fully implemented at receipt of funding.

Upgrades to small wastewater treatment plants and septic tanks

3.7 This project involves the replacement of council owned infrastructure that would otherwise not take place. By upgrading the infrastructure, a nutrient saving can be achieved. This can be enhanced by the use of filter beds at the outfall of the new infrastructure.

3.8 An expression of interest has been made to fund two identified projects. These projects have been selected due to the ability for the management and

maintenance of the new infrastructure to be the responsibility of the owning local authority. Additionally, these projects have been selected due to their ability to mitigate the impact of total phosphorus - this is in order to reduce the current backlog of applications currently being experienced with regard to development in the mid-Itchen catchment area. This scheme will also provide mitigation for total nitrogen for the benefit of mitigation supply in the Test and Itchen catchment.

3.9 This project has been in development for a number of months and is only awaiting funding certainty in order to programme in delivery. It is highly likely that the works will be fully completed within six months and that the mitigation arising from the scheme will be available for the occupation of development shortly afterwards.

3.10 The lead authority will directly fund the receiving authority to undertake the works through retained contractors. It is proposed that on receipt of funding this scheme is immediately progressed. Any sale of credits arising from this scheme will need to be managed, possibly through an appropriate legal vehicle, and with firm contractual processes.

Land based solution (nitrogen mitigation)

3.11 This project is largely predicated on environmental and social policy drivers and follows the principles already set out within the Solent for the cessation of intensive land based agricultural practices to provide suitable mitigation. This project has significant scope for partnership working, particularly in regard to on-going management and development of a regional park.

3.12 The aim of this project is to deliver substantive additional environmental and social benefits. Most notably, these sites will provide; biodiversity net gain, public access, mitigation for other environmental constraints such as recreational disturbance, and where possible flood or coastal erosion risk management.

3.13 Initially the area of search for this project will be in the East Hampshire catchment due to the need for further mitigation to come forward in this area in the first instance. However, should land not be available for this project in the East Hampshire catchment, then other catchments will be considered in order of relative supply and demand need.

3.14 This project will possibly need to be delivered by an appropriate legal vehicle and will be subject to appropriate due diligence and governance procedures. The project is designed to be financially sustainable in terms of capital expenditure and income. On this basis it is anticipated that either a regional park can be delivered over time, or a number of local nature reserves across the Solent region could be delivered.

Wetlands

3.15 As much of the Itchen River basin is on chalk, and there is already substantial abstraction by Southern Water, it is very difficult to deliver wetland solutions in this catchment. However, wetland solutions, and particularly integrated constructed wetlands at the outfall of wastewater treatment plants, can have significant environmental benefits. Although difficult, there are three potential wetland options available within the lower Itchen with the ability to deliver phosphorus mitigation to development draining to Chickenhall wastewater treatment works, as well as substantive nitrogen mitigation for the wider Test and Itchen catchment.

3.16 Wetlands have the potential to deliver a range of environmental benefits. However, the technical and financial considerations of delivering wetlands as a financially sustainable nature-based solution is still unclear. These projects, along with others nationally, will substantially increase understanding of these points. This is particularly relevant in the Solent where we have a proven track record of supporting the monetisation of nutrient mitigation arising from wetlands.

3.17 The mitigation will be delivered through a mechanism agreed between the land owner, the local authorities that may access the scheme, the Environment Agency and Natural England. The physical delivery element of the project will be through suitably procured contractors. The mitigation itself will possibly need to be delivered to market through a suitable legal vehicle.

3.18 It is proposed that on receipt of funding technical work will be undertaken to provide a full feasibility analysis, delivery of any scheme will be subject to further governance procedures.

Additional projects

3.19 The requirements for the LNMF expression of interest indicated that projects must be both costed and deliverable. However, there are a number of projects that, subject to further work, may be suitable as a strategic mitigation solution. These projects include interventions such as the retrofit of sustainable drainage systems, cessation of other intensive farming operations, and on-site measures such as grey water recycling[1].

3.20 It is proposed that resource funding will be used to determine the costs and deliverability of additional projects, and if appropriate use cascaded funds or income from initial schemes to deliver them.

[1] Greywater recycling refers to the treatment of wastewater from appliances such as showers, baths and sinks, to be re-used and fed back into a property for non-potable purposes such as flushing toilets.

4. Summary and next steps

4.1 The opportunity presented by the potential funding available is significant for the Solent region. By adopting a strategic approach we can ensure, alongside the private market, that mitigation is available to meet planned growth across the Solent in the long term. Furthermore, the funding allows significant additional benefits for people and placemaking to be realised.

4.2 In order to make best use of the funding, and to meet the main purpose of the funding in terms of delivery of strategic mitigation solutions, it is important that initial work can be progressed on all of the identified projects. Following review and agreement of the approach by the Partnership for South Hampshire Planning Officers Group, it will be recommended that Joint Committee agree the approach so that work can commence on receipt of funding.

4.3 Although practical delivery of the majority of the projects will require further governance decisions to implement, the water efficiency projects, and the small wastewater treatment works and septic tank project are considered immediately deliverable. Due to the acute need to deliver phosphate mitigation in the mid-Itchen catchment, the proportionally small values involved and the fact that these projects would be delivered by local authorities, it is recommended that approval is granted to implement these projects in full on receipt of funding.

4.4 Due to the complexity and scale of projects that may arise from the potential funding, it is possible that a local authority owned legal vehicle will be required. It is anticipated that, if required, this legal vehicle would be owned by impacted local authorities and would have its own governance structure for determination of those projects requiring further governance decisions. The proposed framework to support implementation of the ongoing program and decision making will be presented to the Partnership for South Hampshire Joint Committee at the next scheduled meeting.

Recommendation

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;
b) NOTES that the Joint Committee will be asked to:
    i. NOTE the contents of the report
    ii. AGREE the outline approach for use of the Local Nutrient Mitigation Fund should funding become available
    iii. APPROVE implementation of the following projects on receipt of funding
        - Water efficiency project
        - Small wastewater treatment works and septic tank upgrade project;
    iv. AGREE that a further report come back to the Joint Committee about the proposed governance needed for delivery of any project not listed in recommendation iii; and
c) consider any comments to be passed to the Joint Committee for consideration.

Enquiries:

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Report to the Partnership for South Hampshire Overview and Scrutiny Committee

Date: **28 June 2023**

Report of: **Graham Tuck, Chairman PfSH Planning Officers Group**

Subject: **STATEMENT OF COMMON GROUND 2023 – REVISIONS AND UPDATE**

SUMMARY

This report sets out proposed updates and revisions to the Statement of Common Ground (SoCG), first formally agreed in September 2020, to enable it to be signed as a formal SoCG by the PfSH authorities.

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that the Joint Committee will be asked to APPROVE the content of the Statement of Common Ground, attached at Appendix 1 to the report, that will lead to the production of a PfSH Spatial Position Statement (SPS); and

c) consider any comments to be passed to the Joint Committee for consideration.

INTRODUCTION

1. The Joint Committee agreed a draft framework for the Statement of Common Ground (SoCG) at its meeting in October 2019. The Joint Committee subsequently agreed a formal SoCG in September 2020 and updated versions in October 2021 and December 2022. The SoCG sets out the key strategic cross-boundary planning issues and the programme of work that will lead to the preparation of a new Spatial Position Statement.

PROGESS MADE ON STATEMENT OF COMMON GROUND

2. Consultants were appointed in June 2020 to undertake potential Strategic Development Opportunity Area (SDOA) comparative assessments, transport impact assessments and modelling, sustainability appraisal and Habitat Regulations Assessment. However, further consideration of the comparative assessment work has established that options for the scale of development needed to fully address unmet need would not be achievable without breaching constraints in the sub-region, including transport constraints. At the same time, government consultations on the Levelling Up and Regeneration Bill and proposed revisions to the National Planning Policy Framework have given an indication that there is likely to be a strong case for not meeting housing need (calculated using the standard method) in full, particularly in relation to the urban uplift for Southampton.

3. The Planning Officers Group (POG) has continued to consider a range of evidence that will support the strategic approach to development in South Hampshire and this set out in the revised SoCG. The SoCG has undergone significant revision to reflect the change in approach. The main changes are set out below. It should be noted that the SoCG has been revised a number of times since the first draft was considered in 2019 but the currently proposed changes are more substantial and represent a thorough revision rather than a minor update. The POG has been mindful of the need to avoid any potential prejudice for the constituent authorities' local plan process. The revised SoCG will still help Local Planning Authorities in demonstrating constructive and positive cooperation on strategic matters at local plan examinations.

4. Progress has been made with the 'Green and Blue Infrastructure Needs and Protection of Landscape and Settlement Gaps' workstream. Land Use Consultants (LUC) were appointed in November 2021 and this work has made substantial progress.

REVISIONS AND UPDATES TO THE STATEMENT OF COMMON GROUND

5. The main changes to the SoCG 2022 are set out below:

- Removal of references to a ‘new Joint Strategy’ and replacement with references to a ‘new Spatial Position Statement (SPS)’.
- Removal of text which it is considered would be more appropriate to include in the SPS.
- Removal of references to ‘Strategic Development Opportunity Areas (SDOAs) and Broad Areas of Search for Growth’ and replacement with ‘Broad Areas of Search for Growth’.
- Change of title of ‘Strategic Development Opportunity Area (SDOA) and broad areas of search for growth assessments (including traffic modelling and transport impact assessments for the SDOAs and broad areas of search for growth)’ to ‘Identification of Broad Areas of Search for Growth assessments’.
- Removal of the workstream ‘Joint Strategy Strategic Environmental Assessment (SEA), Sustainability Appraisal (SA), Habitat Regulations Assessment (HRA) and Appropriate Assessment (AA)’.
- Addition of the workstream ‘Planning for Biodiversity Net Gain and other environmental initiatives to address the climate and biodiversity emergencies’.
- The addition of the workstream ‘Securing environmental mitigation land for nutrient neutrality’.
- Changes to the membership of the Joint Committee (signatories).

Spatial Position Statement reference

6. The POG is of the view that the shift in emphasis of the work under the SoCG means that it is now more appropriate to seek to prepare a Spatial Position Statement, rather than a Joint Strategy. References to the preparation of the Joint Strategy have now been replaced with references to the preparation of a Spatial Position Statement.

Removal of text

7. The SoCG has undergone significant revision since the draft framework SoCG was first agreed in 2019. These amendments have usually resulted in additions to the document, and it has grown in length. Following a thorough review of the SoCG the POG has determined that some text is more policy orientated and it would be more appropriate to include this text in the SPS to leave the SoCG more focused on the process to lead to the SPS.

Removal of references to SDOAs

8. All references to the assessment and comparative analysis of SDOAs as the method that would be utilised to determine the strategic approach to development to include in the Joint Strategy have now been removed. The workstream has been renamed ‘Identification of Broad Areas of Search for Growth assessments’. The revised approach will still give a clear sense of

strategic direction, whilst enabling Local Planning Authorities to test options in more detail through their Local Plan process.

Removal of SEA/SA/HRA/AA workstream

9. Following the steer to move away from analysis of SDOAs the POG has determined that the formal assessments required for statutory plan-making would no longer be appropriate given the lack of geographical specificity to enable effective assessments.

The addition of two new workstreams

10. The POG considers it appropriate to include two additional workstreams in the SoCG to reflect other planning-related work that PfSH is undertaking, albeit not directly related to the evidence base leading to the preparation of the SPS. These are environment related workstreams focusing on biodiversity net gain and nutrient mitigation.

NEXT STEPS

11. There has been substantial technical work carried out under the SoCG since it was first agreed in 2019. This has helped to inform the PfSH authorities about options for new development that can be taken forward in local plans. However, in terms of progressing the approach to the development strategy at a sub-regional level, the revised SoCG now more clearly reflects how the PfSH authorities envisage the role for the SPS.

12. Subject to the Joint Committee agreeing the recommendation to approve the content of the SoCG, each individual Local Planning Authority and the County Council will be will be asked to sign the document (subject to their own governance or delegation arrangements) and it can be published on the PfSH website. This will ensure that an up-to-date SoCG is available to help Local Planning Authorities in demonstrating constructive and positive cooperation on strategic matters at local plan examinations.

13. The PfSH Planning Officers Group will continue to finalise the evidence base and draft the Spatial Position Statement which is scheduled to be considered at the meeting of Joint Committee in December.

RECOMMENDATION

It is RECOMMENDED that the Overview and Scrutiny Committee:-

a) NOTES the contents of this report;

b) NOTES that the Joint Committee will be asked to APPROVE the content of the Statement of Common Ground, attached at Appendix 1 to the report, that will lead to the production of a PfSH Spatial Position Statement (SPS); and

c) consider any comments to be passed to the Joint Committee for consideration.

Appendices
Appendix 1 – Partnership for South Hampshire Statement of Common Ground 2023

Background Papers:
None

Reference Papers:
None

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APPENDIX 1

Partnership for South Hampshire – Statement of Common Ground

1. Introduction

2. Background

3. Content

   a. a short written description and map showing the location and administrative areas covered by the statement, and a brief justification for these area(s);

   b. the key strategic matters being addressed by the statement, for example meeting the housing need for the area, air quality etc.;

   c. the plan-making authorities responsible for joint working detailed in the statement, and list of any additional signatories (including cross-referencing the matters to which each is a signatory);

   d. governance arrangements for the cooperation process, including how the statement will be maintained and kept up to date;

   e. if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement;

   f. distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area;

   g. a record of where agreements have (or have not) been reached on key strategic matters, including the process for reaching agreements on these; and

   h. any additional strategic matters to be addressed by the statement which have not already been addressed, including a brief description how the statement relates to any other statement of common ground covering all or part of the same area.

4. Signatories

1. Introduction

1.1. The Partnership for South Hampshire (PfSH) – formerly the Partnership for Urban South Hampshire (PUSH) – was originally formed in 2003. It is a partnership of district and unitary authorities, together with a county council and national park authority, working together to support the sustainable growth of the South Hampshire sub-region. Whilst the membership has altered slightly over the years, the core membership has remained broadly consistent.

1.2. The Partnership has a strong track record in collaborative working to achieve common goals in South Hampshire. The Partnership was heavily involved in the production of a sub-regional strategy for development that formed part of the South East Plan. This strategy was tested through public examination and when adopted by the Secretary of State, formed part of the development plan at that time, which subsequently informed the production of local plans.

1.3. The ethos of collaborative cross boundary working has continued, and the Partnership has a successful track record in providing effective strategies for sub-regional planning. As well as joint working between member authorities, PfSH works with partner agencies in the sub-region as well as key Government departments to deliver joint strategies and pool resources. PfSH has successfully worked to develop innovative solutions to recreational disturbance (through Bird Aware Solent) and the need for nutrient neutrality in the Solent to deliver new residential development while protecting the integrity of the internationally designated sites.

1.4. Local planning authorities are being required to resolve cross-boundary strategic planning issues through their local plans. Whilst complying with the 'Duty to Cooperate' (National Planning Policy Framework (NPPF) para 24) is a fundamental requirement for local plans to successfully be found sound and legally compliant through public examination, recent indications from government in both the Levelling Up and Regeneration Bill (LURB) and proposed changes to the NPPF are that the Duty to Cooperate is likely to be abolished. The PfSH authorities will continue to work together on strategic cross-boundary issues and will review this Statement of Common Ground (SoCG) in the light of any new statutory or policy requirements in the LURB and revised NPPF.

1.5. The Spatial Position Statement is being prepared at a time of reform in the English planning system with the Levelling Up and Regeneration Bill still progressing through Parliament. In addition, changes to the NPPF are proposed which may fundamentally change the approach to planning at a sub-regional scale. Given the scale and nature of the changes the PfSH authorities acknowledge that there will need to be further updates and evolution of the Spatial Position Statement as the reforms are implemented.

1.6. In 2016 the PfSH authorities produced a framework, namely the PUSH Spatial Position Statement, to guide future local plans and housebuilding and development in the sub-region. However, since then much has changed. Notably all authorities in PfSH have followed the Government lead and signed up

to be carbon neutral by at least 2050. The NPPF has been significantly revised and further revisions are currently being considered.

1.7. PfSH remains committed to the need for its constituent authorities to work together to seek to produce a new Spatial Position Statement, keep the SoCG up to date and to explore the production of an Infrastructure Investment Plan. In October 2019 PfSH agreed a draft framework SoCG. This document was subsequently revised and updated to form an initial Statement of Common Ground in September 2020. It has been further revised and updated in 2021 and 2022 and by this version, and sets out the work that will be undertaken and will be updated again as the evidence workstreams progress.

1.8. This Statement of Common Ground sets out the workstreams for which PfSH has commissioned, or is preparing, evidence to help lead towards the production of a new Spatial Position Statement. The remaining workstreams are:

- Identification of Broad Areas of Search for Growth assessments
- Planning for Biodiversity Net Gain and other environmental initiatives to address the climate and biodiversity emergencies
- Green and Blue Infrastructure Needs and Protection of Landscape and Settlement Gaps
- Securing environmental mitigation land for nutrient neutrality.

1.9. The SoCG has been prepared against the headings set out in national planning practice guidance (Paragraph: 011 Reference ID: 61-011-20190315).

1.10. It should be noted that the SoCG is intended to deal with strategic cross-boundary matters at a sub-regional scale and it does not negate or supersede any existing SoCG either between the PfSH and individual authorities or between individual authorities, within or outside the PfSH area.

1.11. The Spatial Position Statement will again be both non-statutory and high-level / strategic, and will inform and guide emerging Local Plans and assist the Local Planning Authorities in meeting the Duty to Cooperate, and its potential successor.

2. Background

1.12. In 2016 PUSH published a Spatial Position Statement to help inform Local Plans and assist individual Councils in meeting the Duty to Cooperate. It was developed as a non-statutory document to inform long-term decisions about the level and distribution of development across South Hampshire. The Position Statement resulted in all needs being met to 2026 and the majority of needs being met through to 2034, with the rate of delivery for new homes being increased by approximately 34%.

1.13. The Position Statement included a number of spatial principles that underpinned its development, a series of key principles that were applied through the evolution of the spatial approach and a suite of policies that form the spatial approach. These include housing distribution; strategic development locations; distribution of additional employment floorspace; strategic employment locations; waterfront sites of sub-regional significance; retailing and town centres; green infrastructure; strategic countryside gaps; environment; encouraging modal shift; highway improvements; social infrastructure; and utilities infrastructure.

1.14. Time has moved on since the production of the Spatial Position Statement and there is a clear need to review and update it. There is a need to find additional land for housing provision, and extend the period covered by the Position Statement beyond 2034. The Spatial Position Statement needs to address cross-boundary environmental issues such as the impact of development on water and air quality, the impact of development on protected sites of international nature conservation importance, getting Biodiversity Net Gain ready and driving forward Local Nature Recovery Strategies. In planning for major development, it is important to maintain and enhance a coherent pattern of town and countryside, to protect towns and villages with a distinct identity and appropriate settlement gaps.

3. Content

a. a short written description and map showing the location and administrative areas covered by the statement, and a brief justification for these area(s)

1.15. The PfSH boundary has changed over the years, although the core membership, including the County Council and unitary authorities, has remained constant. The Partnership for Urban South Hampshire was formed in 2003 and evidence secured to inform preparation of the South East Plan helped to establish it as an appropriate sub-region for the purpose of strategic planning.

1.16. The following local authority areas are fully within the PfSH boundary:

- Eastleigh Borough Council
- Fareham Borough Council
- Gosport Borough Council
- Havant Borough Council
- New Forest District Council
- Portsmouth City Council
- Southampton City Council.

1.17. The following local authority areas are partly within the PfSH boundary:

- East Hampshire District Council
- Hampshire County Council
- New Forest National Park Authority[1]
- Test Valley Borough Council[2]
- Winchester City Council.

1.18. PfSH is a mature partnership with a lengthy track record of cooperation and collaboration on strategic planning issues and can work with flexible boundaries where necessary (e.g. Bird Aware Solent). PfSH has continued to secure evidence and propose solutions to meeting the need for development and investment in infrastructure.

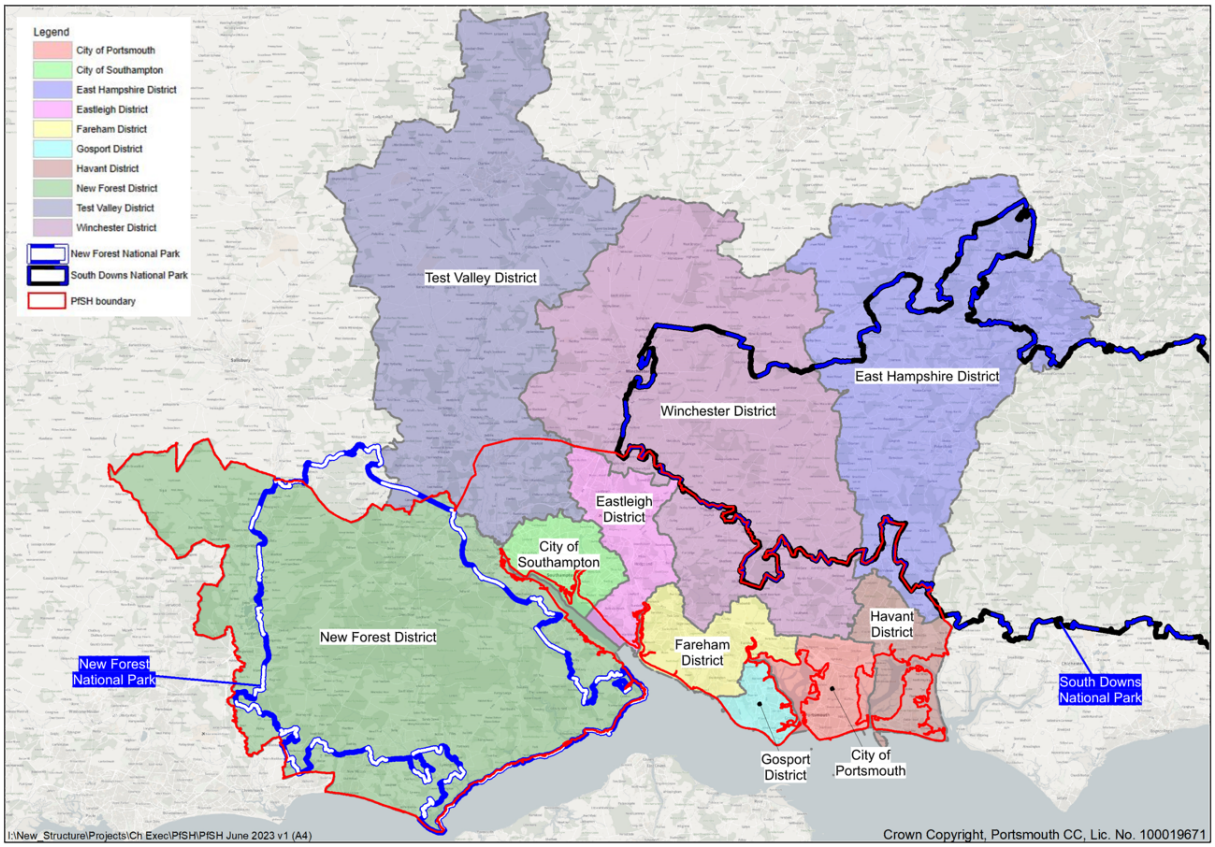
1.19. The evidence base collated over recent years supports the definition of the South Hampshire sub-region for strategic planning purposes, whether it relates to the two closely linked housing markets around Portsmouth and Southampton, the functional economic market area or the physical geography of an area located between the South Downs and New Forest National Parks and the Solent with islands and peninsulas interspersed with harbours and rivers.

[1] The New Forest National Park Authority is not a local authority but is a local planning authority with full planning responsibilities (including plan-making). A small part of the New Forest National Park is in Wiltshire.

[2] Please note that whilst only part of Test Valley Borough Council area falls within the PfSH boundary, the evidence base studies referenced in this report will cover the whole Borough, unless the Council determines otherwise.

1.20. There is common agreement amongst partner authorities that the PfSH area is an appropriate geography on which to prepare a Spatial Position Statement to address cross-boundary strategic planning matters and support the production of local plans. An extensive evidence base has identified the housing market areas and the need to plan at the South Hampshire scale has previously been considered. Significant information is included within the 2014 GL Hearn Strategic Housing Market Assessment and previous evidence base work related to the physical environment has demonstrated the synergies for collaborative planning in South Hampshire. It is not intended to revisit the definition of the sub-region as part of the work identified in this SoCG. However, it is acknowledged that there will be some strategic issues that need to be considered in the context of a wider geographical area than that within the PfSH boundary.

1.21. The map below shows the extent of the Partnership for South Hampshire.



b. the key strategic matters being addressed by the statement, for example meeting the housing need for the area, air quality etc.

1.22. The NPPF (para 20) states that,

'S*trategic policies should set out the overall strategy for the pattern, scale and quality of development, and make sufficient provision for:*

a) Housing (including affordable housing), employment, retail, leisure and other commercial development;

b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);

c) community facilities (such as health, education and cultural infrastructure); and

d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.'

1.23. Regard has been had to advice in the NPPF in defining the strategic matters to be addressed as set out below:

- Housing
- Employment and other commercial development
- Infrastructure (both grey and green/blue)
- Nature recovery and greening the sub-region
- Addressing the climate emergency.

1.24. The PfSH Spatial Position Statement is currently being prepared and will be considered by the Joint Committee in December 2023. It will seek to address the strategic matters, set out above, in South Hampshire as follows:

'***to deliver sustainable, economic-led growth and regeneration to create a more prosperous and greener South Hampshire offering a better quality of life for everyone who lives, works and spends their leisure time here***'.

c. the plan-making authorities responsible for joint working detailed in the statement, and list of any additional signatories (including cross-referencing the matters to which each is a signatory)

1.25. The authorities responsible for the joint working detailed in this SoCG are:

- East Hampshire District Council
- Eastleigh Borough Council
- Fareham Borough Council
- Gosport Borough Council
- Hampshire County Council
- Havant Borough Council
- New Forest District Council
- New Forest National Park Authority
- Portsmouth City Council
- Southampton City Council
- Test Valley Borough Council
- Winchester City Council.

1.26. In addition, the joint working will be undertaken in conjunction with:

- Environment Agency
- Hampshire and Isle of Wight Local Nature Partnership
- Homes England
- National Highways
- Natural England.

At this stage it is not anticipated that these organisations would be formal signatories to the SoCG. Other key infrastructure providers will also be involved, for example public transport providers and water companies, although again, not as formal signatories.

d. governance arrangements for the cooperation process, including how the statement will be maintained and kept up to date

1.27. PfSH has long established governance arrangements, the full details of which are on the website. The PfSH Joint Committee members are the leaders or cabinet members of the constituent local authorities, supported by chief executives. The Solent LEP, Environment Agency and Homes England are represented on the Committee as observers and Natural England regularly attends the meetings.

1.28. Alongside the Joint Committee, an Overview and Scrutiny Committee has been established to complement and, where necessary, make recommendations to the Joint Committee with regards to PfSH business. The Joint Committee comprises a nominated councillor and chief executive from each of the PfSH authorities.

1.29. The technical work that will be undertaken to lead to the new Spatial Position Statement will be overseen by the PfSH Planning Officers Group, a working group of planning officers from each of the partner authorities, including the county council, together with Natural England and the Environment Agency. PfSH has appointed a consultant Project Manager to coordinate the work on behalf of the Planning Officers Group.

1.30. The PfSH Joint Committee will make decisions on strategic planning matters referenced in this SoCG, based on officer recommendations. Each local planning authority will decide how to use its own decision-making mechanisms to consider its own approach to the decisions being made at the PfSH Joint Committee.

1.31. This SoCG sets out the process and workstreams that will lead to the review of the Spatial Position Statement and the production of an updated Spatial Position Statement. Once the Spatial Position Statement has been agreed the PfSH Joint Committee will consider how frequently this SoCG needs to be updated.

e. if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement

1.32. A previous assessment of housing need within the PfSH area established an overall level of need to 2036 of approximately 85,000 homes (PfSH Statement of Common Ground Update 2022). This was based on the standard method of calculating housing need and contains a 35% uplift applied by the Government to the twenty largest cities in England including Southampton. In line with emerging national policy, the Spatial Position Statement will not seek to apportion any unmet need from this uplift to neighbouring areas.

1.33. The specific housing requirements for each PfSH local authority will be determined in the individual Local Plans with the appropriate housing figures and locations for development tested in local plan examinations. Within the PfSH area, there are eleven local planning authorities (in whole or part) with Local Plans at various stages of preparation. Housing need and supply will therefore change over time as plans progress from Regulation 19 to submission and adoption or become out of date. The level of housing need will also change annually as data inputs into the standard method are refreshed, presuming that some form of standard method will remain following proposed changes by the Government. The current assessment of housing need and supply is set out in the table below.

Table 1: Comparison of housing need and supply 2022 - 36

Local Authority	Annual Housing Need using Standard Method (dpa)	Total housing need 2022 – 2036	Supply = Commitments, local plan allocations + windfall estimate	Shortfall/ surplus
East Hants (part)	113	1,582	1,236	-346
Eastleigh	671	9,394	6,663	-2,731
Fareham	541	7,574	9,646	+2,072
Gosport	328	4,592	2,786	-1,806
Havant	516	7,224	5,755	-1,469
New Forest	1,097	15,358	8,276	-7,082
Portsmouth	906	12,684	10,203	-2,481
Southampton	1,090	15,260	14,464	-796[3]
Test Valley (part)	182	2,548	2,656	+108
Winchester (part)	243	3,402	3,402[4]	0
Total	5,687	79,618	65,087	-14,531

1.34. The government has recently consulted on reforms to the NPPF standard method, in two stages, stating the intention to implement them in 2023 and 2024 respectively. The first stage is set out as proposed NPPF wording changes that would more strongly emphasise that the standard method is an advisory starting

[3] The shortfall within the city excluding the 35% urban uplift (i.e. the shortfall to be considered across the wider PfSH area). The shortfall within the city including the 35% uplift is 6,130 dwellings.
[4] The actual supply within the PfSH part of the District is higher than 3,402. This is because Winchester does not have a split in its adopted Local Plan between PfSH and the rest of the District, meaning that the figures for need and supply are estimated to be the same in this table. This may change as Winchester's local plan progresses.

point. It is also proposed to clarify that the main urban area 35% need uplift (that currently applies in the PfSH area to Southampton) would only be required to be met to the extent that it is possible to do so within Southampton's planning area i.e. if it cannot fully be met therein the shortfall would no longer constitute unmet need that the wider PfSH area would be required to meet. In the second stage of Government consultation a fuller review of the standard method is proposed, including to rebase to 2021 census-based data. Unspecified changes are also proposed to the duty to cooperate process to replace it with an 'alignment' policy, that it is proposed would no longer be a pass/fail legal test that precedes the testing of Local Plan soundness at examination stage.

f. distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area

Housing

1.35. With national policy in flux, for this iteration of the SOCG there is considerable uncertainty around addressing housing need in the PfSH area. Depending on government timelines for NPPF review this uncertainty may not be resolved in time to inform the new Spatial Position Statement.

1.36. Referenced against the NPPF 2021 standard method, in quantitative terms the majority of need for housing up to 2036 is already planned to be met through existing commitments including planning permissions, allocations in local plans and neighbourhood plans, and allowances for future small-scale windfall development. A current shortfall of housing provision is acknowledged. In terms of scale the shortfall is likely to represent a significant fraction of total combined need to 2036 based on the NPPF approach extant on the date of this SoCG.

1.37. At the PfSH level the shortfall is best defined as need that is not yet planned for, rather than need that is definitively unmet. The shortfall would diminish over time as local plan reviews get underway or pending plans are progressed, not least because some currently adopted local plans in the PfSH area do not extend to 2036 and government requires plans to be updated every five years. For the same reasons the shortfall would increase if a planning horizon beyond 2036 is considered – the appropriate timeframe is a matter to consider in updating the 2016 Spatial Position Statement.

1.38. At Local Planning Authority (LPA) level within PfSH the following authorities are less likely/unlikely to be able to fully meet NPPF 2021 standard method-based housing needs in their respective local plan areas, due to the extent of various significant national and international designations and/or lack of available land (for example, in existing built up areas). These areas will continue to consider through their local plan reviews whether they can increase their supply. However, if the standard method and duty to cooperate are retained in their current form, or if any update takes a broadly similar approach, these areas may have housing needs they cannot fully meet. In this case the other PfSH LPAs would need to consider whether they could accommodate some of these wider needs through their own local plan reviews, recognising that South Hampshire's housing markets operate across local authority boundaries.

- Gosport
- Havant
- New Forest District
- New Forest National Park
- Portsmouth
- Southampton.

1.39. Whilst the fact and extent of any unmet need remains to be confirmed through Local Plan reviews, this is a matter that the new PfSH Spatial Position Statement

will address in broad terms (see below). Periodic updates to this SoCG will set out the latest PfSH position, to be complemented as necessary by bilateral SoCG between LPAs and PfSH as individual local plans progress.

1.40. In the context of these uncertainties PfSH authorities are taking a two-stage approach to addressing the needs of those authorities that may demonstrate that they are unable to meet their housing needs in full. Stage one: in the short to medium term, the following authorities are more likely to be able to meet and potentially exceed NPPF 2021 standard method-based housing needs in their respective local plan areas:

- East Hampshire
- Eastleigh
- Fareham
- Test Valley
- Winchester.

The recently adopted Fareham Local Plan makes a contribution of 900 homes to PfSH unmet need. The emerging Winchester Local Plan has not specified a contribution towards to unmet needs in other local authority areas, but includes proposals for 1,450 homes over and above the standard method (Regulation 18 draft Local Plan). For Winchester, the final housing numbers will be determined as the plan progresses to adoption, at which point the extent to which Winchester may be able to contribute towards unmet needs will be known. But at present, these authorities are planning to make provision of some 2,350 homes over and above their own standard method-based needs and the other authorities listed above are encouraged to consider the contributions that can be made through their Local Plans, as these progress. This provision, in addition to existing commitments and planned development, will help to meet housing needs based on the current standard method in full over a substantial part of the Spatial Position Statement period.

1.41. Stage two: In the longer term, Broad Areas of Search for Growth will be identified in the Spatial Position Statement. These will be identified by considering the combination of a relative absence of strategic constraints, relative proximity to opportunities and services, and their scope in principle for good public and active travel connectivity.

1.42. The broad areas would require further investigation and technical work to determine their suitability as specific locations for development, and to test their capacity, deliverability, infrastructure and mitigation needs to achieve allocations in Local Plans. A preliminary assessment suggests that the areas of search may have a combined capacity for around 7,500 dwellings, subject to deliverability, infrastructure and mitigation.

1.43. Across South Hampshire there is a significant need for new homes as outlined above. There are also a range of characteristics important to the quality of life in the area. It is bounded by two national parks, the coast/estuaries, a range of international, national and local biodiversity designations and needs to

accommodate land for biodiversity mitigation and net gain. It is already heavily built up in places, with areas of valued countryside often important in landscape terms or as settlement gaps protecting the identity of individual towns and villages. Some areas are less accessible by public transport. The need to accommodate significantly more homes for people in the medium and longer term, including in the areas of search, will need to be carefully tested through local plans against all of these important characteristics to achieve the optimum solution.

Employment

1.44. PfSH has commissioned and published the Economic, Employment and Commercial Needs (including logistics) Study which establishes the need for employment development in South Hampshire. It should be noted that the figures for office need are 'aspirational' in recognition of the time it may take before the market starts to deliver new development. The results of the Study are set out in Tables 1 and 2 below, alongside the estimated current supply of office floorspace and industrial land. This demonstrates that there is currently sufficient land allocated within South Hampshire to meet the need for employment development and there is no need to address this issue at the sub-regional level.

Table 2 Comparison of office floorspace need and supply

Local Authority	Office need (sqm) (2019 – 40)	Office supply(sqm) (2022 – 40)	Balance (sqm)
East Hants (part)	1,919	0	-1,919
Eastleigh	95,805	92,662	-3,143
Fareham	38,595	45,667	7,072
Gosport	14,616	10,258	-4,358
Havant	38,477	0	-38,477
New Forest	11,236	767	-10,469
Portsmouth	74,217	113,500	39,283
Southampton	60,959	111,851	50,892
Test Valley (part)	20,176	30,961	10,785
Winchester (part)	36,468[5]	0	-36,468
Total	392,468	405,666	13,198

Table 3 Comparison of industrial land need and supply

Local Authority	Industrial need (ha) (2019 – 40)	Industrial supply (ha) (2022 – 40)	Balance (ha)
East Hants (part)	1.4	1.7	0.3

[5] Winchester City Council covers a mainly rural area where significant office provision would not be suitable. The identified need will be met in suitable town and city centres in the PfSH area, or in Winchester City where demand is stronger and development more viable.

Eastleigh	9.9	45.1	35.2
Fareham	25.5	50.5	25
Gosport	15.5	17.4	1.9
Havant	9.1	19.9	10.8
New Forest	-10.3	7.6	17.9
Portsmouth	52.6	38.2	-14.4
Southampton	-7.8	7.9	15.7
Test Valley (part)	52.6	21.8	-30.8
Winchester (part)	19.2	21.4	2.2
Total	167.7	231.5	63.8

1.45. It should be noted that Tables 2 and 3 present a general picture and probably slightly underestimate the need/supply balance given that the need calculation is from 2019 – 2040 and the supply figure is from 2022. Adding in completions from 2019 to the supply figure would likely increase it. Also, the need figures are for a net increase in space, whereas the supply figures do not take account of any losses of office or industrial sites. Individual local planning authorities will need to consider this further, although it can be noted that the surplus of office and industrial sites would enable further losses without the need to allocate new sites. Some of the industrial need figures for individual local planning authorities indicate a negative need. This should not be taken in itself as a policy requirement to reduce the stock of industrial sites in these areas, as industrial vacancy rates are low and sites are meeting the needs of local businesses. Again, individual Local Planning Authorities can consider this issue further.

1.46. The Study also makes recommendations with regard to the need to find up to five sites to meet the need for strategic warehousing. The PfSH Planning Officers Group has considered how this need could be met, although initial work indicates a lack of suitable sites.

Nature and Landscape

1.47. The need to mitigate potential adverse impacts of new development on the environment is apparent through the evidence base from previous local plans and current issues relating to water and air quality and recreational pressure and potential harm to protected habitats. It is a major priority for the PfSH authorities to ensure that the natural environment is not diminished through new development and where possible, is enhanced. Furthermore, government policy now requires development to provide a net gain for biodiversity.

1.48. Given the sub-region's location between two National Parks (the South Downs and the New Forest), the 'duty of regard' set out in Section 62(2) of the Environment Act 1995 is also relevant. This duty (which is cross-referenced in the national planning practice guidance section on 'Landscape') ensures that any decisions that could affect National Parks must have regard to the two statutory purposes of National Parks. The National Planning Policy Framework was revised in July 2021 (paragraph 176) to recognise the importance of ensuring development within the setting of National Parks and Areas of Outstanding

Natural Beauty is sensitively located and designed to avoid and minimise adverse impacts development may have on those designated areas.

1.49. There are legal requirements for carrying out strategic environmental assessment (incorporated within sustainability appraisal) and habitat regulations assessments (including appropriate assessments) when considering the location of new development in local plans. Given issues around recreational disturbance and the potential need to mitigate the impact of nutrient deposition from wastewater outputs and traffic emissions as a result of additional dwellings, there will be a requirement to allocate land to provide sustainable alternative natural greenspace and to reduce nitrate and phosphate levels in the water environment (through nutrient neutral development). Consideration will need to be given to incorporating accessible natural green spaces within or close to broad areas of search for growth to ensure that they are accessible to residents and assist with the delivery of appropriate environmental mitigation.

Climate Emergency, Flood Risk and Air Quality

1.50. The climate emergency is an overarching theme that will be at the forefront of the strategy for new development. Matters such as flood risk and policy approaches to resilience can be explored through the broad areas of search for growth assessments. Any opportunities to reduce potential environmental impact through the location of development will be considered alongside mitigation measures that need to be addressed through planning policy.

1.51. PfSH has commissioned a new level one Strategic Flood Risk Assessment (SFRA) for the majority of the PfSH region (except East Hampshire, which completed an SFRA for its planning area in 2018 and is currently updating it), along with the whole local planning authority areas of Test Valley, Winchester and the New Forest National Park. This takes account of changes in legislation and policy, as well as emerging updates to evidence, modelling and mapping of flood risk, since the previous SFRA and interim updates were published. It is expected that the SFRA will be published later in 2023.

1.52. Dealing with climate emergency issues can have a long-term beneficial impact on the health and wellbeing of the new communities now being planned. Other issues, such as access to green spaces and opportunities for active travel can also be addressed through the strategy for new development.

1.53. Impacts on health caused by poor air quality will be considered in individual local plans. Impacts on the natural environment (European and Ramsar sites) will be considered through Habitat Regulations Assessments. Development should be located so as to minimise adding to air quality problems and regard should be had to designated Air Quality Management Areas when determining strategic approaches to development.

Updating the 2016 Spatial Position Statement

1.54. PfSH has previously agreed a programme of work to update the 2016 Spatial Position Statement, also referred to as a Joint Strategy. The workstreams are

referenced at paragraph 1.8. This section of the SoCG describes how they are being progressed to a conclusion. A further workstream on 'grey' infrastructure needs will be progressed separately after the SPS is published.

1.55. In updating the 2016 PfSH Spatial Position Statement (SPS) the emphasis will be on place shaping and achieving sustainable growth in the PfSH area in a manner that contributes positively to meeting housing and economic needs in a manner consistent with climate change, zero carbon and nature recovery objectives. The updated SPS will be prepared on the basis of the existing SPS vision which seeks to:

'deliver sustainable, economic-led growth and regeneration to create a more prosperous, attractive South Hampshire offering a better quality of life for everyone who lives, works and spends their leisure time here.'

1.56. The updated SPS will indicate strategic-level areas of search for the most sustainable locations to accommodate future growth within the sub-region. It will provide a broad indication of their future development potential and how that relates to future needs for housing and other development, but it will not seek to definitively quantify unmet housing needs or how they might all be met. Periodic updates to this SoCG will set out the latest position on need and supply as local plans in the area progress and national policy evolves.

g. a record of where agreements have (or have not) been reached on key strategic matters, including the process for reaching agreements on these

1.57. PfSH published a Spatial Position Statement in 2016. This SoCG, agreed by the PfSH authorities, sets out the scope of the Spatial Position Statement which will update and replace that 2016 document. It is anticipated that the new Spatial Position Statement will set out in broad terms the need for and distribution of development between the respective Local Planning Authorities. This will demonstrate how PfSH is addressing the need for development collaboratively across the sub-region amongst other strategic spatial policies, reflecting the need for development to contribute to place making through, for example, providing a net gain in biodiversity, ensuring opportunities for active travel and conserving settlement identity.

1.58. The new Spatial Position Statement will be a clear representation of how, as a partnership of local authorities, the PfSH authorities are actively cooperating and collaborating to plan for development across the sub-region. It will be a fundamental part of demonstrating alignment between the authorities and a starting point for the development of sound local plans.

1.59. Nonetheless, there are likely to be instances where bilateral agreement remains necessary between individual PfSH authorities and local plan matters specific to those authorities, such as infrastructure provision or sites which span borders.

<u>Housing need</u>

1.60. National planning policy provided through the latest NPPF, published in July 2021, prioritises meeting housing need as part of the national target to significantly boost the supply of new homes. Nonetheless, proposed reforms in the most recent Government consultation clarify and reinforce that the standard method would represent the advisory starting point for the provision of new homes and the uplift applied to the needs of the largest urban areas (including Southampton) are met within those areas. It has, however, always been the case that local plans should meet the need for housing as well as any needs that cannot be met within neighbouring areas unless there are strong reasons to restrict the growth in the plan's area (as set out in para 11 of the NPPF and the accompanying footnote).

1.61. Each local authority currently calculates its housing need using the government's standard method for assessing local housing need. The identified objectively assessed housing need is accepted as the correct level to test and to plan for strategically in accordance with government policy, to inform housing targets to be set in local plans. However, it is recognised that the way housing needs are calculated may change in the near future (see paragraph 1.4 in the Introduction).

Employment need

1.62. Whilst the application of the standard method for assessing local housing need is now established in the NPPF (para 61) (albeit with the potential to change as a result of census data being released in 2024), the sub-regional need for other forms of development and the opportunities to meet those needs were still to be established. PfSH has commissioned and published the Economic, Employment & Commercial Needs (including logistics) Study and further information on the need for, and supply of, employment land is set out in paras 3.30 – 3.32 of this SoCG.

1.63. PfSH has commissioned evidence with regard to employment land needs. The Economic, Employment and Commercial Needs (including logistics) Study sets out the overall need for industrial land and office floorspace for South Hampshire and each local authority area within the South Hampshire Functional Economic Market Area (FEMA). It should be noted that need identified for each local authority area could be met across South Hampshire, given the interconnected nature of the FEMA. In particular, it should be noted that the need for industrial floorspace reflects where provision has previously been made rather than any geographically specific demand led factors. Furthermore, it is considered that the need for office development would be more likely to be met within the city or town centres as part of comprehensive mixed-use schemes, especially where there is good accessibility to public transport.

Infrastructure investment

1.64. Infrastructure investment is a major priority for PfSH, both in terms of identifying the infrastructure needed to deliver development that represents 'good planning' and working together to secure investment in the sub-region. The PfSH authorities and the Solent LEP have a good track record in successfully obtaining funding and investment for South Hampshire. PfSH considers that the commensurate and timely provision of infrastructure is an essential component to achieving sustainable development. Infrastructure will be funded and provided by a combination of private and public sector partners including Hampshire County Council and Portsmouth and Southampton City Councils (particularly transport, social services and education), transport operators, health providers and the utility companies. Whilst the use of Community Infrastructure Levy receipts and delivery through planning obligations are essential in the management of development and infrastructure provision, it is likely that additional funding will be required from government, particularly if there is to be a step-change away from the most carbon intensive transport modes, and strategic flood risk protection is to be put in place. Further details will be set out in Infrastructure Delivery Plans which are prepared to support each local plan.

Green Infrastructure

1.65. PfSH has commissioned evidence to draw together a range of strategic green and blue infrastructure issues. The work will focus on:

- Identification of areas of landscape value
- Review of settlement gaps
- Identification of key strategic opportunities for green and blue infrastructure protection and enhancement
- Review of potential delivery mechanisms such as a Regional Park.

The outcome of this work will be reflected in the Spatial Position Statement.

1.66. PfSH will continue its role in facilitating environmental solutions to allow development to take place whilst protecting the sensitive protected species and habitats in South Hampshire. Bird Aware Solent is a well established partnership that avoids and mitigates the impact of recreational disturbance on internationally important habitats. PfSH also funds and manages a strategic resource to provide opportunities to enable nutrient neutral development. There are further challenges that will need addressing in the near future, such as biodiversity net gain.

Green Belt

1.67. In December 2018 PUSH agreed that the rationale and justification for a possible Green Belt designation be included as part of any joint work taken forward under the Duty to Cooperate initiative. Potential Green Belt designation has been considered alongside the role for green infrastructure, both to serve recreational needs of residents and provide environmental mitigation and enhancement, especially for likely adverse impacts on the integrity of European Nature Conservation sites, and in the context of protection for high value landscape and settlement gaps. A new green belt designation is considered to be very unlikely in the current policy context. It is not currently considered that the five tests in the NPPF for new Green Belts could be met, in particular the requirement to demonstrate why normal planning and development management policies would not be adequate, and set out any major changes in circumstances which have made the adoption of this exceptional measure necessary. Therefore, the identification of a proposed new Green Belt is not being progressed. However, routes to delivering cross-boundary (e.g. catchment-wide) mitigation measures may need land to be allocated to deal with recreation pressures and water and air quality issues. This could also help meet some of the policy aims around the climate emergency (a number of local authorities have declared climate emergencies), nature recovery and health and wellbeing. Therefore alternatives to a new Green Belt should be investigated and delivered through local plans.

Transport and connectivity

1.68. The three Local Transport Authorities (LTAs) within the PfSH area have played a full and active role in the development of the Spatial Position Statement. The LTAs have provided advice on the transport implications of potential options for growth and PfSH will take account of this advice in formulating the Spatial Position Statement. Of key importance to the LTAs is the need to provide for development that can be accessed by sustainable modes and that choices made

at this stage do not lead to development that is predominantly reliant on use of the private car to meet travel needs.

1.69. The LTAs have updated (or are in the process of updating) their transport policies through Local Transport Plan 4. They are also jointly preparing the Solent Transport Strategy, in line with the Transport Strategy for the South East produced by Transport for the South East. The Spatial Position Statement will need to be consistent with the principles set out in these transport policy documents.

h. any additional strategic matters to be addressed by the statement which have not already been addressed, including a brief description how the

statement relates to any other statement of common ground covering all or part of the same area

1.70. The SoCG sets out a process by which the PfSH authorities will review and update the Spatial Position Statement (2016). It is not intended to replace or supersede any existing SoCG that exists between PfSH and individual local planning authorities or bilateral agreements between local planning authorities.

1.71. There are no other strategic matters to be addressed by the SoCG that have not been referenced earlier in the SoCG.

Signatories

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