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.

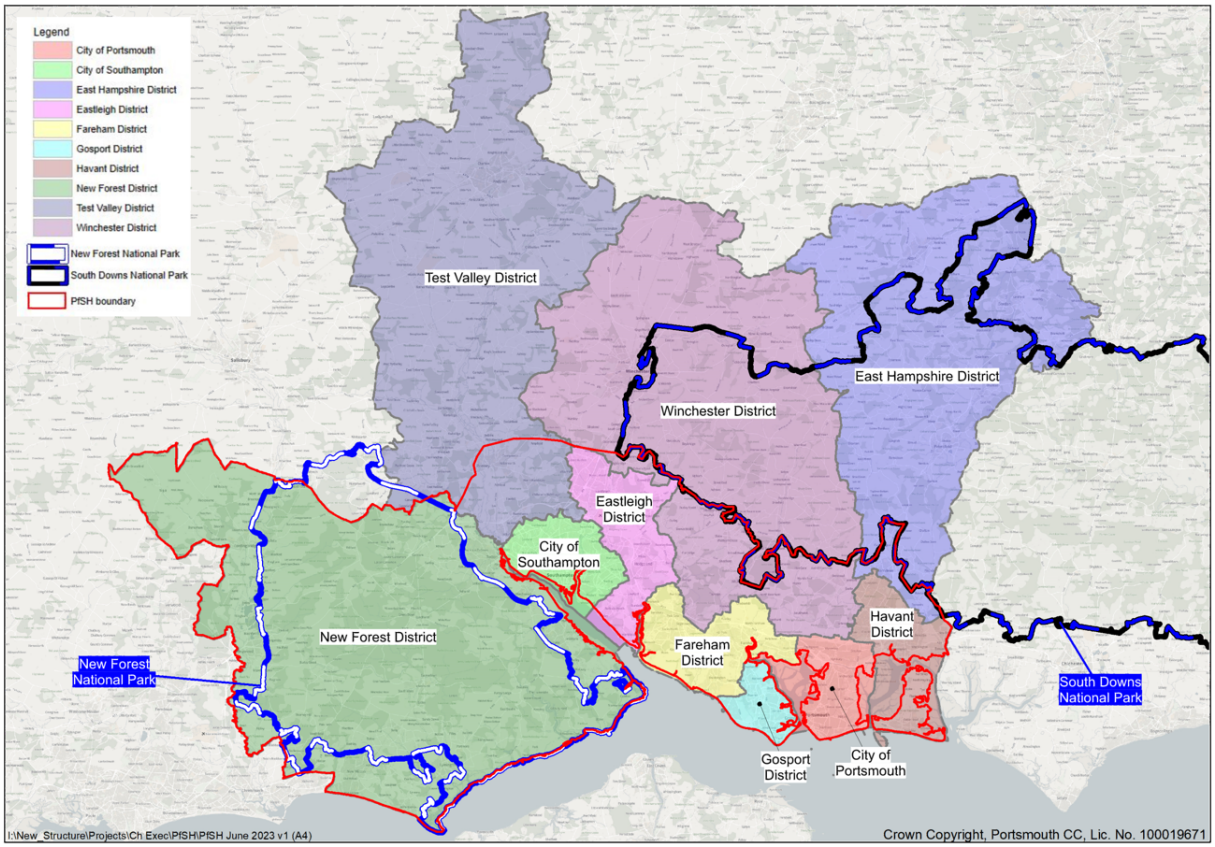
1.19. The evidence base collated over recent years supports the definition of the South Hampshire sub-region for strategic planning purposes, whether it relates to the two closely linked housing markets around Portsmouth and Southampton, the functional economic market area or the physical geography of 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.

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