



Eastleigh Borough Local Plan 2016-2036



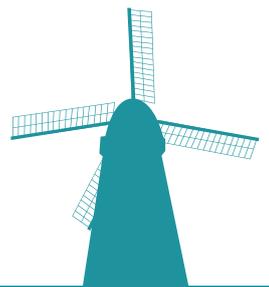
# Eastleigh Borough Local Plan 2016-2036

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## Housing Programme Update (Cabinet Report)

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June 2019



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CABINET

Thursday, 20 June 2019 (6:30 pm – 7:09 pm)

PRESENT:

Councillor House (Chair); Councillors Airey, Campbell, Corben, Craig, Kyrle and Pretty

Also in attendance: Councillors Broadhurst, Couldrey, Gomer, Tidridge, Duguid and Garton

Apologies for absence were received from Councillor Bicknell

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31. PUBLIC PARTICIPATION

Councillor Tidridge asked what the Council was planning to do to ensure nitrogen neutrality for developments of 50 dwellings or above and did it plan to develop its own strategy for smaller developments as required? She understood that some local authorities had stopped taking planning decisions until they had clarified their position.

The Leader replied that the Borough Council was in a good position regarding nitrogen neutrality as they were in frequent contact with relevant government departments and is a landowner of agricultural land which can be decommissioned. That wasn't to say that this isn't an issue for the authority and the Council would work collaboratively with the government and water authorities.

RECOMMENDED ITEMS (REQUIRING A DECISION)

32. HOUSING PROGRAMME UPDATE

Issue

The report updates Cabinet of the Council's Housing Programme which is designed to intervene in the development of housing sites to help address unmet needs in the borough (paper 5).

Consideration

Specifically, Cabinet are updated on the strategic development project know as 'land West of Horton Heath' and asked to support the principle for self-delivery, subject to further approvals and supporting financial appraisals where there are funding implications.

**RESOLVED –**

**That Cabinet:**

- (1) Notes progress with Housing Programme sites under construction and in contract as of June 2019;**
- (2) Notes the approach to the delivery of development on four new sites (subject to consideration in confidential reports at 20 June 2019 Cabinet);**
- (3) Supports the recommended strategic approach to bringing forward land west of Horton Heath for development and the principle of self-delivery by the Council, subject to financial appraisal and future approvals where necessary;**
- (4) Endorses inclusions of the Strategic Growth Option (SGO), which is due to be independently examined in Autumn 2019, within the scope of the Council's Housing Programme; and**
- (5) Endorses the associated programme activity during 2019 – 21, necessary to take an active role in supporting the preparatory work around the delivery of the Strategic Growth Option (SGO) in the event the Local Plan is adopted, to be funded from the Planning and Development Reserve in the interim.**

**33. PUBLIC SPACES PROTECTION ORDER****Issue**

The report summarises the procedures and policies to be applied when considering the use of the powers under the Anti-Social Behaviour, Crime and Policing Act 2014 to make Public Spaces Protection Orders (paper 6).

**Consideration**

The report confirms to whom the delegated powers are given for each measures within the Act.

**RESOLVED –****That Cabinet:**

- (1) Approves the proposed process for managing Public Spaces Protection Orders as stated in Paragraph 4;**
- (2) Approves policy guidelines as stated in Paragraph 5.1; and**
- (3) Approves the changes to the delegated powers as stated in paragraph 6.3.**

# CABINET

Thursday, 20 June 2019

## HOUSING PROGRAMME UPDATE

### Report of the Housing Programme Manager & Strategic Development Manager

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#### Recommendation(s)

##### It is recommended that Cabinet:

- (1) notes progress with Housing Programme sites under construction and in contract as of June 2019;
- (2) notes the approach to the delivery of development on four new sites (subject to consideration in confidential reports at June 2019 Cabinet);
- (3) supports the recommended strategic approach to bringing forward land west of Horton Heath for development and the principle of self-delivery by the Council, subject to financial appraisal and future approvals where necessary;
- (4) endorses inclusion of the Strategic Growth Option (SGO), which is due to be independently examined in Autumn 2019, within the scope of the Council's Housing Programme; and
- (5) endorses the associated programme activity during 2019-21, necessary to take an active role in supporting the preparatory work around the delivery of this Strategic Growth Option (SGO) in the event that the Local Plan is adopted, to be funded from the Planning & Development Reserve in the interim.

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#### Summary

This report updates Cabinet on the Council's Housing Programme which is designed to intervene in the development of housing sites to help address unmet needs in the borough. This report provides updates on what has been delivered to date on sites managed within the Programme, and other prospective sites which are subject to further approvals.

Specifically, Cabinet are updated on the strategic development project known as 'land West of Horton Heath' and asked to support the principle for self-delivery, subject to further approvals and supporting financial appraisals where there are funding implications.

A new community north of Bishopstoke and Fair Oak is being planned, and as it is a large complex site, it will require leadership, support and intervention from the public sector to

accelerate its delivery. The aim of this report is to advise Cabinet of the proposed short term activity under the Housing Programme necessary to take an active role in supporting the preparatory work around the delivery of this Strategic Growth Option (SGO) in the event that the Local Plan is adopted.

### **Statutory Powers**

Localism Act 2011

## **Strategic Implications**

1. A key Council Corporate Plan objective is ensuring there is a planned housing supply to meet residents' requirements for new housing in the borough. This is supported by an objective to intervene in housing supply to accelerate delivery of new homes. Indeed, the Corporate Strategy for Housing (February 2018) explains the Council is a housing delivery enabler and taking responsibility for making development happen in the area, with an emphasis on actively using its own assets and capabilities to unlock housing opportunities.
2. The vision is far wider than simply seeing more homes constructed quicker, and addresses the Corporate Plan's Enabling Healthier Lifestyles and Wellbeing objective: 'creating and sustaining places conducive to improved health and wellbeing'. To do so, the increase and accelerated delivery of homes needs to be alongside the delivery of the right infrastructure i.e. employment land, roads, schools, health provision, open spaces etc.

## **Introduction**

3. The purpose of this report is to update Cabinet on progress with the development sites included in the Council's dedicated Housing Programme. The report also sets out prospective projects for inclusion in the Programme to ensure the approach to enabling housing delivery is managed in a comprehensive way and is effectively resourced. This report highlights two strategic development sites being planned in the borough, and the role the Council can play in delivering sustainable new communities.

## **Housing Programme: Schemes in Progress**

4. The Housing Programme consists of the planned delivery of over 2000 dwellings. Six out of the ten development sites in the Programme are in contract and four of these are under construction. To date 144 new homes to be held on behalf of the Council have been completed. All homes are delivered by the Council, its housing company or partners, and are affordable tenure or Private Sector Rented (with tenancy terms specified by the Council and managed by a high quality Registered Provider).
5. North Stoneham Park (Eastleigh) is under construction by Highwood Group following intervention by the Council which provided a fully secured loan for upfront infrastructure secured against the land. The Council's housing

company had a purchase agreement for 146 properties 'off plan' to ensure the provision of Private Rented Sector homes on the site and improve the development cashflow. In total 1,200 new homes will be completed on the site, with associated infrastructure including a new primary school.

6. Kestrel Park, Bursledon (land south of Bursledon Road, the former car boot site) is also under construction following intervention by the Council. Through acquisition of the site, and a development agreement with Taylor Wimpey (developers of the adjacent site Kingfisher Grange), the site has planning permission for 200 new homes and is under construction. The agreement includes transfer of 45 properties for market rent to either the Council or its housing company in September 2019. The Council's investment in this site has secured a new parkland area (Windhover Meadows) to protect a green gap between Bursledon and Southampton, scheduled for opening August 2020. A key part of the development is a new road that will access the Taylor Wimpey housing site from Bursledon Road. This will mean that residents of both these residential areas will only use this new road and not Hamble Lane to access the site. The junction to access the site's show home will open June 2019 and the remainder of the road is under construction.
7. A unique development is under construction at Barbe Baker Avenue, West End on land at Hatch Farm. The site called The Willows offers 98 homes (a mix of bungalows and houses) and was developed by Radian Homes following a direct grant from the Council. The grant ensured a high quality development brief could be achieved and construction could commence, as it was not viable to do so in the open market due to site constraints and the commitment to providing new community facilities. The majority of new market sale homes will be occupied by end of June 2019.
8. All new homes are completed and occupied at Leah Gardens, Woodside Avenue, Eastleigh. The site of 94 affordable or market rented homes offering family-friendly lifetime tenancies is managed by VIVID. This project was financially supported by the Council in partnership with VIVID.
9. Properties at 10-20 Romsey Road, Eastleigh are under development by the Council. The site consists of four properties (two of which are occupied by One Community and Age Concern) and has planning permission for a mixed use development comprising a new community facility on ground floor occupied by the two charities and 49 flats above. During the period of construction the Council has facilitated the relocation of One Community and Age Concern to suitable town centre accommodation. The target for vacant possession is summer 2019, with demolition to follow. The target date for completion of the project is early 2021.
10. Finally, the Council via its subsidiary (Aspect Eastleigh Ltd) has entered into a joint venture with developers Galliford Try Partnerships to bring forward 242 new homes at Pembers Hill Farm, Mortimers Lane, Fair Oak. Demolition and site clearance started June 2019 and the first completions of dwellings are anticipated April 2020. The target completion date for all phases on the site is August 2023.

11. As a partner, the Council has strong influence in the design and layout of the Pembers Hills Farm development in order to meet wider strategic objectives. Long term management of the highway will be secured through comprehensive road adoption by the County Council rather than a management company. The Council has negotiated the option and flexibility to purchase up to 85 completed dwellings to hold as Private Sector Rented to ensure a mixed and balanced community. In April 2018 Cabinet approved allocation of grant to increase the number of affordable dwellings at Pembers Hill Farm by twelve homes, and achieve 40% affordable dwellings on-site overall.
12. In summary, progress has been made within the Housing Programme on sites under construction or nearing completion as shown below:

<b>Site name</b>	<b>Total no. homes to be completed</b>	<b>No. homes acquired by EBC or its housing company</b>
North Stoneham Park, Eastleigh	1,200	146 (phase 1) (32 completions)
Leah Gardens, Eastleigh	94	94 (94 completions)
The Willows, West End	98	32 (18 completions)
Kestrel Park, Bursledon	200	45 (nil completions)
<b>Total:</b>	<b>1,592</b>	<b>317 (144 completions at June 2019)</b>

13. A further six sites are at the technical design/ project design stages:

<b>Site name</b>	<b>Total no. homes to be completed</b>
Pembers Hill Farm, Fair Oak	242 (in contract)
10-20 Romsey Road, Eastleigh	49 (in contract)
Land west of Horton Heath (including Foxholes Farm) ( <i>see below</i> )	1400-2000 (subject to planning approvals)
<ul style="list-style-type: none"> <li>• 91b the Crescent (Eastleigh)</li> <li>• Hanns Way Car Park (Eastleigh)</li> <li>• Plot 1 Nightingale Avenue (Eastleigh)</li> </ul>	16 (subject to planning approvals)

## **Land west of Horton Heath**

14. The Council is bringing forward new homes and supporting infrastructure at land West of Horton Heath (subject to planning approvals). In 2018 the Council acquired 317 acres of land (see Appendix 1), and has committed to intervening in delivery of a strategic development. In deciding to acquire the development land, the Council proposed to install new services, infrastructure and discharge s106 planning obligations prior to selling 'fully serviced' parcels to commercial & residential developers.
15. Since buying the land the Council assessed that selling serviced land to the development industry will not necessarily safeguard delivery of housing or planning obligations such as affordable housing and s106 planning contributions. It is instead preferable that the Council retains control (in terms of quality, pace of delivery, management of assets), and directly delivers development (e.g. procure construction and manage contractors itself). This approach would involve working closely with delivery partners and future operators of commercial and community buildings to design assets 'fit for purpose', but not disposing of land or other assets generated through the development process.
16. Designing and delivering the development itself, means the Council will be better placed to take a long term stake in the new community and future stewardship of the land (including parks and open space) and buildings. For example, retaining long term responsibility for market rented homes (and possibly other tenures in future) means the Council can influence how the tenure of these homes could change at a later stage if required to better meet housing needs.
17. Self-delivery of infrastructure, homes and community facilities, also enables the Council to take a longer term view of investment and future asset management and capture revenue income (e.g. from land and property rents). This strategic project would therefore support growth of the Council's investment portfolio to help fund Council activity, including front line services.
18. Cabinet is asked to support the principle of self-delivery in relation to land west of Horton Heath, subject to approvals and supporting financial appraisals where there are commercial implications.

## **Housing Programme: Schemes subject to approval**

19. It is important that the Housing Programme identifies a 'pipeline' of development opportunities, proportionate to the scale of activity the Council can accommodate. This is to ensure that new schemes such as the Council's 'family friendly' tenancies can be rolled out in other parts of the borough; or to contribute to the Council's commercial portfolio whilst meeting other strategic objectives (such as infrastructure provision). The strategy therefore is to work in partnership with the development industry (including Registered Providers of affordable housing) to help unlock stalled sites. This might include land acquisition but not always.

20. There are four additional sites which require Cabinet decisions to progress (three small sites in Eastleigh town centre and a site in Hedge End). At the meeting 19 June 2019, Cabinet will consider two confidential reports covering these Housing Programme sites. It is proposed that intervening in these four sites will deliver 122 homes, of which 16 will be for social rented (affordable homes), 42 at Hedge End will be affordable, and 23 will be transferred to the Council's housing company for market rent.
21. The Council has experience of using bespoke arrangements to unlock development at different scales. Through its Housing Programme activity, the Council will continue to monitor development proposals which may be stalled and where joint working is necessary to bring forward delivery and achieve affordable housing targets (the overall proportion and most appropriate mix), and address unmet needs. Through entering into joint ventures for example, the Council may include obligations on partners to seek the Affordable Housing Programme grant funding.
22. Cabinet approval will be sought prior to entering into future arrangements on sites where there are opportunities for the Council to enable housing delivery and fulfil infrastructure delivery upfront. Proposals will always be subject to viability modelling and feasibility studies and may involve an element of 'abortive work' where schemes are not taken forward based on the results of the feasibility work.

### **Delivering Large Sites: strategic land north of Bishopstoke & Fair Oak**

23. A key driver for the Council's proactive approach to development sites is recognition that good planning is about placemaking, not just delivering housing numbers, and that Councils should lead on the future of their areas. Building new homes and associated infrastructure requires a focus on delivery from the outset, and the National Planning Policy Framework (NPPF) (Feb 2019) states strategic policy-making authorities should acknowledge the lead-in times for large scale sites, and identify opportunities for supporting rapid implementation (such as through joint ventures).
24. In addition to the role as local planning authority, local authorities are expected to identify actions to address known delivery challenges. This will depend on the authority's appetite for proactive measures such as purchasing land, direct funding, partnering with Registered Providers of affordable housing, bidding for external funding etc. Actions can include the following:
  - i. identifying whether issues such as infrastructure or transport could be addressed at a strategic level – both within the authority and also with neighbouring and upper tier authorities where applicable;
  - ii. investigating the level of ongoing engagement with key stakeholders (for example, landowners, developers, utility providers and statutory consultees) to encourage an increased pace of delivery;

- iii. ensuring evidence on a particular site is informed by an understanding of viability;
  - iv. considering compulsory purchase powers to unlock suitable housing sites.
25. A significant amount of technical work has been carried out to support a strategic site allocation in the submitted Local Plan (see Appendix 2 for the proposed site boundary). The proposed development of the Strategic Growth Option (SGO) will include new homes (at least 5,300 dwellings), employment space, retail and community facilities, open spaces and a new link road, on a site located north of Bishopstoke and Fair Oak in the north of the borough.
26. In November 2016, the site promoters published a strategic site rationale which formed a useful starting point for discussing the form and phasing of the SGO proposal with stakeholders such as infrastructure providers. In December 2016, Council approved engagement and technical work on strategic scale development, pursuant to which a number of activities have been undertaken, during 2017-19, to investigate delivery of the emerging preferred strategic growth option, including as follows:
- i. Refining an emerging masterplan with independent urban designers to test the vision of what could be feasibly achieved in the strategic location, in collaboration with the promoters and nature conservation consultees;
  - ii. Collaborating with the site promoters to secure their long-term commitment to the vision for the new development. The Council is already working in partnership with the current site promoters of the SGO, and hopes to build positively on these relationships;
  - iii. Appointing engagement specialists to develop a community-led engagement strategy following adoption of the Local Plan;
  - iv. Appointing viability consultants to undertake a high-level viability assessment of the allocation in support of the Local Plan submission;
  - v. Publishing a number of technical studies to inform the planning for the SGO (i.e. the delivery trajectory, emerging masterplan and land take and infrastructure requirements);
  - vi. Submitting a Garden Communities Programme bid to Homes England for Government support (including resource funding);
  - vii. Engaging Homes England's Land team to identify opportunities for meeting their objectives as set out in the Strategic Plan 2018/19-2022/23, through potentially enabling the SGO allocated land to come forward.
27. It is identified that a proportion of the new strategic scale transport infrastructure for this site exceeds what development is normally expected to deliver, and is therefore considered an 'abnormal' cost. In recognition of the

impact such upfront infrastructure can have on development viability, a number of public sector bodies offer funding programmes (usually in the form of grant, loans or equity investment). Government expects that local authorities seeking to promote large-scale new communities will either rely on private developers to provide all the necessary capital, borrow funds in accordance with the regulations governing prudential borrowing, or utilise government support.

28. For example the Council has worked with Homes England to secure £20.8m grant funding at land west of Horton Heath, as part of the Government's Local Authority Accelerated Construction Programme, as well as £10m support for the Botley By-pass through the Housing Infrastructure Fund.
29. The list of infrastructure required to support the SGO is extensive. Ensuring upfront investment in infrastructure is one of the key benefits of the Council's potential future involvement in the SGO delivery, if required. This includes timely delivery of the link road and one of the primary schools as part of an early phase of development.
30. Cabinet endorsement is therefore sought for inclusion of the Strategic Growth Option (SGO) within the scope of the Council's Housing Programme, and to support delivery preparation and activities such as:
  - i. identifying any encumbrances to delivery early on;
  - ii. exploring front funding/ funding sources from the public sector;
  - iii. identifying partners with a long term interest in leaving a positive legacy;
  - iv. seeking external funding for specialist team resources;
  - v. approving a community engagement strategy;
  - vi. commissioning advice and consultancy support (including commercial);
  - vii. Identifying options for access to finance and private sector investment

## **Financial Implications**

31. The proposed activity to assist in the delivery preparation for the SGO will necessitate additional funding to be established following detailed appraisal work during 2019/20. The delivery preparation activities outlined in this report will be funded from the Planning & Development Reserve in the interim. This activity includes exploring funding sources from the public sector (e.g. Garden Communities funding).
32. Additional funding will be sought in future in support of self-delivery proposals for phases of the land west of Horton Heath, subject to Cabinet approval following detailed appraisal.

33. Requests for funding additional Council staff resources required to deliver the emerging Housing Programme will be taken to Cabinet for approval.

### **Risk Assessment**

34. Involvement in this scale of strategic development does represent exposure to higher risks, and these are being closely monitored by the relevant Project Boards. At a later stage and as the project progresses, Cabinet approval will be sought for each relevant stage of the west of Horton Heath development where direct delivery by the Council is proposed. The proposals will be supported by full risk assessment and financial appraisals where there are commercial implications.

### **Equality and Diversity Implications**

35. The Equality Act is not relevant to the decision in this report as the decision does not relate to eliminating discrimination, advancing equality of opportunity, or fostering good relations between different people. An Equality Impact Assessment has not been carried out.

### **Conclusion**

36. A number of homes have been completed in the borough, or are under construction, as a direct result of the Council's intervention through its dedicated Housing Programme. The Council or its Aspect Eastleigh Ltd company have entered into three joint ventures (JVs): Woodside Avenue Developments LLP; Stoneham Park Development LLP; and Pembers Hill Farm LLP. The Council has also acquired strategic land near to Horton Heath and Bursledon; and given direct housing grant to Registered Providers of affordable housing. This activity is managed through a dedicated Housing Programme and an associated Board.
37. Cabinet are asked to note the progress on the Programme sites, and support future Programme activity. Looking ahead, Cabinet are asked to note the proposed approach to bringing forward two strategic developments in the borough (at different stages in the planning and development process).
38. The SGO is a key component of the Council's overall spatial strategy up to 2036 and beyond. It is a plan-led vision for building a new community to the north of Bishopstoke and Fair Oak in the Borough. The realisation of this vision will depend in part upon the leadership role played by the Council and a commitment to develop this location for growth. The Council is able to play an enabling role, drawing largely on its track record, ambition and strong partnerships. 'Early stage' activity and preparation is recommended so that, in the event of the Local Plan being adopted, any unforeseen delays in the planning process might be mitigated.
39. Land west of Horton Heath has the benefit of planning permission and the Council is already directly involved in delivery of a sustainable new community. Cabinet is asked to support the principle of self-delivery in

relation to land west of Horton Heath, subject to approvals and supporting financial appraisals where there are commercial implications.

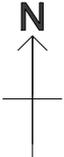
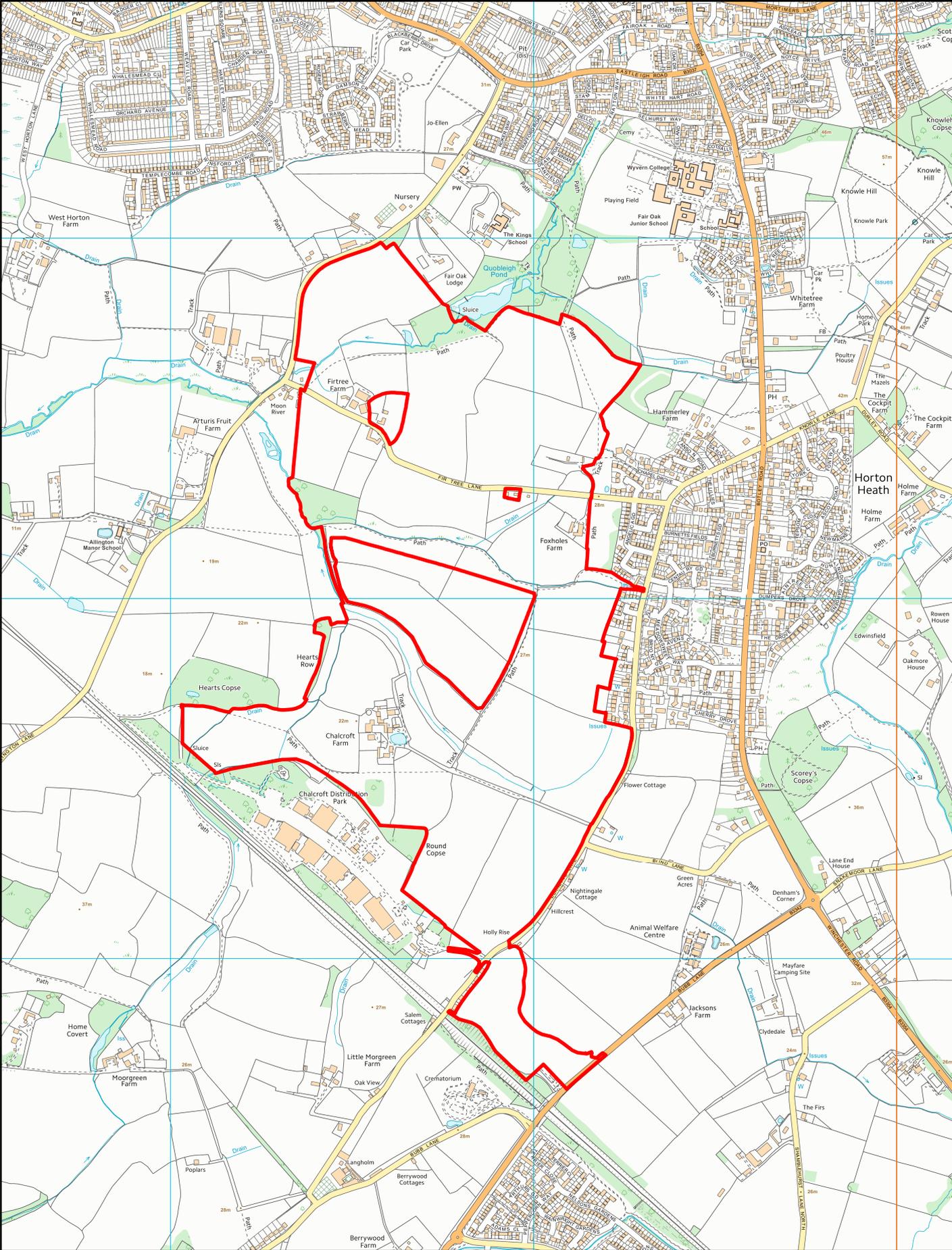
EMILY HOWBROOK  
STRATEGIC DEVELOPMENT MANAGER

Date: 05 June 2019  
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e-mail: Emily.Howbrook@eastleigh.gov.uk  
Appendices Attached: 1

### **LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

Appendix 1: Location Map showing indicative link road  
Appendix 2: Location Map showing land west of Horton Heath



**Land west of Horton Heath inc. Foxholes Farm**

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Scale: 1:10,000 | Date: June 2019

