

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Policy and Resources
Date:	24 September 2013
Title:	Strategic Land Matters Update
Reference:	5159
Report From:	The Director of Culture, Communities and Business Services

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1. Executive Summary

- 1.1. The purpose of this paper is to provide an update on key issues relating to several Strategic Land sites approved for development by the Executive Member for Policy and Resources on 25 October 2012.
- 1.2. Since the last report there have been a number of significant developments and material changes relating to:
 - Strategic land sites in the Basingstoke and Deane Borough Council area;
 - The Planning Authority are finalising proposals within its pre-submission draft local plan that would have major implications for the County Council's land interests.
 - Strategic land sites in the Eastleigh Borough Council area;
 - The Leader of Eastleigh Borough Council has formally asked the County Council to reconsider its decision not to make land West of Woodhouse Lane available for potential development.
 - The potential impact of the above developments on the timing, value and probability of capital receipts across the County Council's Strategic Land interests; and
 - Proposals from the Department for Communities and Local Government for the use of capital receipts from asset sales to invest in reforming services.
- 1.3. The report considers the implications of these changes and sets out the options for the County Council going forward. It also provides a brief update on other related site matters.

2. Background and Context – Strategic Land

- 2.1. The October 2012 report considered nine County Council owned strategic land sites which had been identified by the respective District Council Planning Authorities for potential development. The table in Appendix 1 (exempt) summarises the existing approved approach together with the current draft local plan position. This reflects both the County Council's need to demonstrate a "Duty to Co-operate" (under S.33A of the Planning and Compulsory Purchase Act 2004) on "strategic matters" and also the desire to achieve a timed and managed approach to the release of the County Council's assets across Hampshire up to 2030 and beyond.
- 2.2. With the re-activated promotion of Land West of Basingstoke (Manydown), a decision was taken to defer the availability of Land at Woodhouse Lane, Hedge End to post 2030, whilst other sites were to be made available but with a restriction to develop either only part of the site up to 2030 or the imposition of a maximum number of dwellings on the County Council's land. This strategy means that potential net receipts of up to £90m might be realised for the County Council over the next 15 years, with the prospect of further receipts post 2030. This approach is consistent with the objective of delivering a flow of capital receipts up to 2030 and beyond. However, recent significant developments mean that the previously agreed approach is now at risk.
- 2.3. Recently, the Leader and Chief Executive of Eastleigh Borough Council have formally approached the County Council to ask it to reconsider its position on Woodhouse Lane. The reason that this reconsideration is being asked for is that this particular site had previously been identified as having a potential capacity for up to 1,100 dwellings and represented one of their key potential residential allocations in meeting its housing demand and allocation requirements.
- 2.4. In the case of Basingstoke, following the County Council's decision to limit the availability of Land to the East to 450 dwellings up to 2030, the Local Planning Authority has recently indicated that it might now need to identify an alternative site elsewhere that would provide them with greater certainty on the delivery of the required 900 dwellings in their housing demand and allocation requirements. In addition, the recently approved pre-submission consultation draft Local Plan includes a range of other policy issues that would potentially compromise the delivery of Manydown, and have the effect of reducing the level of development potential (and thus value) on the Cufaude Farm and Swing Swang Lane sites.
- 2.5. Within the table at Appendix 1 (exempt), the two right hand columns summarise the current Local Plan position in respect of each site and notes the potential implications for the County Council. This report sets out the Local Plan context and timings for the Eastleigh and Basingstoke and Deane Local Plans and summarises the statutory basis under which the County Council can respond. The report therefore explores the options available to the County Council on each site, and identifies how this engagement might be undertaken and the possible related outcomes.

3. Local Plan Context, Timings and Process

- 3.1. The Plan making process in England and Wales is now governed by the Town and Country Planning (Local Planning) Regulations 2012 which sets out how planning authorities should progress their plan making process. A planning Authority can choose to undertake their plan preparation as a two stage (Draft Local Plan and Pre-Submission Draft) or single stage (Draft Pre-Submission only) process.
- 3.2. The County Council as a landowner may only make representation during the period of statutory consultation if it wishes any comments made to be presented by the Planning Authority and then considered by the Inspector at the subsequent Examination in Public (EiP). Any comments made outside of these statutory periods need not be considered or made available to the Inspector. As a consequence, it is necessary, if it so chooses, for the County Council to formally engage in the Local Plan process. This may be in a commentary format or as a formal representation objecting against the principle for or detail of a particular policy.
- 3.3. Basingstoke and Deane Borough Council have decided to adopt a single stage approach. On 25 July their Full Council approved their draft pre-Submission document for public consultation with the consultation period to run between 23 August and 4 October 2013. The County Council has the opportunity to comment on the Pre-Submission document during this period or may choose to merely rely on previous submissions but this will be the last formal opportunity to make any comments before the EiP which is planned for March 2014.
- 3.4. Eastleigh Borough Council have decided to adopt a two stage approach and will be publicly consulting on their initial Draft Local Plan in late September 2013 with their Pre-Submission stage programmed for Spring 2014.

4. Options

Strategic Land in Basingstoke

- 4.1. Basingstoke and Deane Borough Council's recently approved Pre-Submission Draft Plan contains a range of site specific draft policies which would have major implications for County Council land interests:
 - Site allocation boundaries that compromise the level of development in the case of Manydown and Cufuade Farm (as a consequence of their interface with existing Parish boundaries and the introduction of new strategic gap policies);
 - Detailed community infrastructure requirements, for example the reservation of a secondary school site in Manydown in the pre-2030 phase which is unlikely to be required in this time period;
 - Conflicts between the levels of development required against a reduced allocation area; and

- A requirement to provide and reserve land for strategic highway infrastructure (e.g. the Western By-pass on Manydown), which is not required to deliver the development itself but which is expected by the Borough Council, as a planning authority, in allocating this site.
- 4.2. Within local plan public consultations the County Council usually comments rather than objects to allocations and policies (particularly in its regulatory capacity) as ideally it would prefer to be seen to be in support of the Planning Authority rather than against it. However, in light of the emergent draft policies outlined above, it is considered there will be a need for a more robust approach and a need to make formal representations, including objections, similar to any other landowner in order to protect its interests. For example, on the Cufaude Farm site, following the introduction of the strategic gap and the reduced allocation area, it is not possible to deliver the required levels of housing and the proposed 2FE primary school intended to serve the Councils' land, an adjoining allocation and the wider local area. It will therefore be necessary to make formal representations rather than merely advisory comments.
- 4.3. The implications for Manydown are more significant in that the extent of the proposed site allocation boundary is not sufficient to deliver the required housing numbers and the late introduction of the western by-pass reservation would potentially render the development unviable. The Local Transport Plan 2011-2031 does not identify a bypass as a priority and the west of Basingstoke is not identified as a congestion hotspot either. With the level of concerns around both the principle and detail of the draft site policy for Manydown, it is recommended that formal representation against the pre-submission draft be made to ensure a viable and deliverable outcome is protected. If practical these will of course be made in conjunction with the Borough Council in its capacity as joint land owner.
- 4.4. The current County Council approach in relation to Land to the East of Basingstoke is to offer half of the site's total residential development potential in the current Local Plan period up to 2030. This equates to 450 of 900 potential dwellings with the balance to be offered for consideration in the next local plan period post 2030. It is important to note that unless the whole of Land to the East is offered for development in the current local plan period, there is a risk that the site may not be favoured and the County Council could lose the potential of the receipt from this site pre-2030 as the Borough may choose to allocate an alternative site. A compromise position might be to offer the remainder of the site as a "Reserve Site" up to 2030 should additional capacity be needed by the Local Planning Authority later in the current local plan period. A further report on this matter would be brought forward to the Executive Member for Policy and Resources for consideration if appropriate.
- 4.5. The Director of Culture, Communities and Business Services has written to the Chief Executive of Basingstoke and Deane Borough Council to express concern over these late site policy text changes to the Local Plan and the implications for the County Council's Strategic Land Sites in and around Basingstoke.

Governance Arrangements

- 4.6. On the previous occasion that the land at Manydown was being jointly promoted the existing Joint Management Committee, which has a simple land management role, evolved to embrace development issues. The committee however did not have an Executive role which remained with the Executive Member for Policy and Resources. Given the joint landowner role the County Council has with Basingstoke and Deane Borough Council it is appropriate to establish suitable governance arrangements. It is proposed that liaison should be between the relevant Executive members with each council retaining its separate decision making roles. In the case of the County Council, as noted above, all decisions relating to strategic land are taken by the Executive Member for Policy and Resources with the Executive Member for Capital and Income having an advisory role. Discussions are being held with Basingstoke and Deane Borough Council to confirm future arrangements should development on Manydown be secured.

Strategic Land in Eastleigh

- 4.7. As already noted, Eastleigh Borough Council has formally asked the County Council to reconsider its decision not to make its land West of Woodhouse Lane available for potential development. Following a dialogue between the two authorities the provisional site allocation is likely to be reduced from 1,100 dwellings to between 700-800 dwellings. Should the County Council be prepared to review its position, it would have to be mindful of the timescale for any subsequent consultation on the Draft Plan. This would likely mean that any decision by the County Council would need to be made before the end of September 2013. Should Woodhouse Lane be developed in the future the County Council would want to ensure that the sense of separation between Hedge End, Botley and Boorley Green was retained through the provision of suitable landscape and development proposals.
- 4.8. In addition Eastleigh Borough Council's Planning Officers have asked if the limit of 300 dwellings on Land South of Chestnut Avenue might be reconsidered in favour of a higher number of up to 580. There may be some merit in officers discussing this point since the County Council's ability to negotiate the best outcome for the Authority is currently somewhat fettered. Such an approach would allow the impact of higher housing numbers to be properly considered and particularly the potential impact on the adjoining rural areas of Southampton. This would also allow time for the matter below to be considered.
- 4.9. Whatever the level of development that is eventually allocated for the Land South of Chestnut Avenue, it is the County Council's intention to respect and where feasible, restore any remaining elements of the Capability Brown landscape that, although much denuded, was once present in this locality.

- 4.10. A County Council owned site South of Kings Copse Avenue in Hedge End was offered with the potential of delivering 150 units. This site has however not been reconsidered favourably by Eastleigh Borough Council and it would seem unlikely that it will now be allocated. Nevertheless, it is proposed to reaffirm the availability of this site as a suitable development opportunity.

Summary of Options

- 4.11. Since the original decisions were taken the planning and therefore potential financial goalposts have shifted significantly from a countywide perspective. Previously the County Council considered the timing, the risk and probability of development happening on its land and from there could shape a financial decision. It is now clear that issues beyond the County Council's control have impacted upon the previous balance of financial arguments. Some of the income projections are less likely and some more uncertain in the case of Manydown. The County Council would wish to balance the potential loss of significant income (and arguably continuing uncertainty about the viability of land at Basingstoke being developed and the level of receipt) against the review of benefits that come from, including Woodhouse Lane (with significantly reduced numbers of planned houses). Arguably the timing of the Manydown opportunity will continue to be less certain than the County Council would wish, recognising the democratic nature of decisions and the planning process surrounding the land at Manydown. Equally, the land at Woodhouse Lane appears with reduced numbers to offer the County Council greater certainty of a future flow of capital receipts. While some form of future development at Manydown is inevitable what is now less certain is the financial return to the County Council. At the present time achieving a high value capital receipt looks a lot less likely than it did when the earlier decisions (last October) around strategic land were made. Even with a reduced housing allocation Woodhouse Lane would achieve a substantial net receipt, 100% of which would benefit the County Council. It is possible that if this land is not allocated at this time any alternative development could increase pressure on the existing road network and this would then have to be addressed at a later date and potentially at a point when the land at Woodhouse Lane comes forward. This scenario would have a significant negative impact on the net capital receipt value pertaining to Woodhouse Lane.
- 4.12. As already noted, the County Council also has land at Eastleigh (Kings Copse Avenue) which the Borough Council have refused to include in the plan where we believe development would be sensible.
- 4.13. In addition to the balance of the financial considerations mentioned above, the County Council has long held a policy that its land should be sensibly developed in terms of design, sustainability and density. At this stage the decision is about making the land available, the County Council would have the final say on these matters further down the line. The County Council has throughout this process, also been minded of the duty to co-operate with both Councils but that in itself does not constitute or require the Council to make land available for development.

5. Finance

- 5.1. These paragraphs are exempt and contained in exempt appendix 2.

6. Performance

- 6.1. The consequent capital receipts derived from the Strategic Land Programme are potentially of sufficient scale to enable significant reinvestment into the delivery of services across the County Council. In addition, development of each site identified would create the opportunity for well designed, vibrant neighbourhoods together with the provision of both enhanced as well as new social and physical infrastructure. These combined outcomes would help contribute to the County Council's Corporate Priorities of Hampshire safer and more secure for all, Maximising well being, and Enhancing our quality of place.

7. Other Issues

Whitehill/Bordon

- 7.1. The County Farm holding at Standford Grange to the east of Bordon has the potential to be used (in part or whole) to contribute to the comprehensive regeneration of Whitehill and Bordon following the planned closure of the Army Garrison in late 2015.
- 7.2. It is proposed that a separate report on this opportunity and the way that the County Council's services and other land holdings in the town may also assist in the intended regeneration of Whitehill and Bordon will be brought to a future decision day.

Use of Capital Receipts for Revenue Investments

- 7.3. The Department for Communities and Local Government (DCLG) has recently issued a consultation document entitled "Proposals for the use of capital receipts from assets sales to invest in reforming services" seeking comments by 24 September. The document proposes a limited "window" in which Local Authorities would be afforded flexibility to use capital receipts for a one-off (rather than a recurring) revenue purpose, which is currently restricted by the capital finance system. The paper comments on the benefit of this approach to support restructuring or service transformation to affect revenue savings in the lead-in to the Comprehensive Spending Review.
- 7.4. The paper poses a series of questions to which it is understood a corporate response is being prepared by the Head of Finance. However it should be noted that the proposed "relaxation" would not be for any sale, but subject to a bid process by which different proposals from different Authorities are assessed on best value for money. Any bid would be required to:
- Demonstrate the amount of expenditure and proposed use for revenue purposes;
 - Confirm the on-going revenue saving benefit;

- How services would be transformed;
 - Show, if relevant, cross working across the public sector; and
 - The asset to be sold and possible future use of the asset.
- 7.5. Whilst the proposal is still in draft, following the consultation period, the intention is to open a bid process from Winter 2013 through to Spring 2014 when confirmation of supported bids will be announced. The expectation is that the identified asset for disposal would then be sold August 2013 to March 2016 with evidence of the revenue expenditure April 2015 – March 2015. For the majority of the current and short-medium term capital receipt programme for part of existing transformation programmes (approved school rationalisations, Hampshire Workstyle and Adult Services LD and Extra-Care Transformations) it would appear there is limited immediate advantage of this relaxation as these receipts have already been earmarked for capital reinvestment.

8. Recommendation(s)

It is recommended that:

- 8.1 In respect of Basingstoke and Deane Borough Council's Pre-submission Draft Plan, the County Council, as landowner, makes formal representations, including objections, during the consultation period in relation to the draft policies affecting its land holdings at Cufaude Farm, Swing Swang Lane and Manydown.
- 8.2 Should a Local Plan allocation at Manydown be secured, suitable governance arrangements with Basingstoke and Deane Borough Council be agreed with the Executive Member for Policy and Resources.
- 8.3 The County Council confirms its earlier decision of 25 October 2012 to Basingstoke and Deane Borough Council, that land to the east of Basingstoke will be made available for potential development on a phased basis during the current plan period and the subsequent (beyond 2031) plan period.
- 8.4 The County Council advises Eastleigh Borough Council that, in view of their revised site allocation of up to 800 dwellings at Woodhouse Lane, Hedge End, it will make its land available for potential development, subject to the normal approval processes relating to the disposal of County Council land and satisfactory landscape and development proposals coming forward.
- 8.5 The County Council further advises Eastleigh Borough Council that officers from both authorities open discussions on the potential for a higher allocation of dwellings, up to 580, on its land south of Chestnut Avenue, Eastleigh, in order to give full consideration to the impact on adjoining rural areas of Southampton and the potential to restore and protect the historic Capability Brown landscape. A further report will be brought forward for consideration by the Executive Member for Policy and Resources at a future meeting.

- 8.6 The County Council reaffirms the availability of its land south of Kings Copse Avenue, Hedge End, to Eastleigh Borough Council.
- 8.7 The Chief Executive in consultation with the Leader and the Director of Corporate Resources develops suitable project delivery arrangements for its land in Whitehill/Bordon and where appropriate helps fund necessary infrastructure related work and design.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Strategic Land Matters and Site Issues	3920	25/10/2012
Strategic Land Strategy, Process and Sites	3957	25.06.2012
Land at Crow Arch Lane, Ringwood – Proposed Development	3161	27.10.2011
Strategic Property Review - Council Strategic Land Holdings - Promotion of Development Potential		21.07.2008
Promotion of County Council Land and Property Assets for Capital Receipts		21.05.2007
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>
Planning and Compulsory Purchase Act		2004

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss 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. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. An equality impact assessment has been considered in the development of this report and no adverse impact has been identified.

2. Impact on Crime and Disorder:

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime

3. Climate Change:

- 3.1. The potential impact of these proposals on climate change has been considered and no impact has been identified