

Housing Delivery Test Action Plan 2023 - 2024



October 2024

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1 Introduction

1.1 Housing delivery and supply

- 1.1.1 The Government's Housing Delivery Test (HDT) assesses whether a Council's housing requirement has been met, on average, over the last three years. This is based on the number of new homes built and completed, in relation to housing need. This HDT, for 2023-24, covers the three financial years 2019-20, 2020-21 and 2021-22. The HDT Action Plan (HDT AP) identifies the reasons for the Test's result not being met and sets out an Action Plan (at Appendix 1) to tackle undersupply of housing.
- 1.1.2 The new Government, elected on 4 July 2024, has made clear that sustained economic growth is the only route to improving the country's prosperity and living standards. It sets out to build new homes, create jobs and deliver new and improved infrastructure, with a target to deliver 1.5 million new homes over the next five years. It intends to deliver its growth-focused ambitions through proposed reforms to the planning system.
- 1.1.3 The Government's approach strengthens the longer standing ambition to progress the national target of delivering 300,000 new homes a year, increasing this to over 370,000 new homes a year. This national priority to boost housing supply and delivery is monitored through the HDT, and the HDT AP is a way of addressing barriers with the aim of accelerating housing delivery across the country.
- 1.1.4 Nationally new housing supply had been increasing year-on-year since 2012/13 until 2019/20, when 243,000 new homes were built, in part due to the expansion of permitted development rights allowing more conversions to residential use without planning permission. However, in 2020-21, the number of new homes built dropped by 12% (to 217,750), due to the disruption caused by the COVID-19 pandemic. Nevertheless, recent trends indicate that housebuilding has started to recover, with 233,000 new homes built in 2021/22¹.
- 1.1.5 This HDT AP covers the COVID-19 pandemic period, an unprecedented time that saw widespread disruption, including to local authority planning services, the construction sector and the economy more widely. These impacts are explored further in the paper. The Government modified the HDT measurement to reflect this, reducing the homes required in 2019-20 by a month, and in 2020-21 by four months².
- 1.1.6 Portsmouth City Council (PCC) has responded to the challenge of boosting delivery of new homes by making decisive progress on its emerging Local Plan, informed by a sustained and proactive approach to working with developers, landowners and neighbouring local authorities. The Local Plan was published for Pre-Submission (Regulation 19) consultation in summer 2024³ with expected submission (Regulation 20) in autumn 2024 in line with the Local Development Scheme.

¹ Government ambitions for new housing supply - <https://commonslibrary.parliament.uk/research-briefings/cbp-7671/#:~:text=New%20housing%20supply%20is%20currently,new%20homes%20in%202019%2F20.>

² PPG Housing Delivery Test: 2022 measurement - <https://www.gov.uk/government/publications/housing-delivery-test-2022-measurement>

³ Pre-Submission Local Plan consultation (July to Sept 2024)
<https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/portsmouth-local-plan/>

- 1.1.7 The Pre-Submission Portsmouth Local Plan includes a supply of land that meets its proposed housing target, including strategic sites, site allocations and identified sites. The sites put forward in the Plan are supported by both a comprehensive appraisal of deliverable and developable sites in the Council's Housing and Economic Land Availability Assessments (HELAA⁴) and a robust assessment of housing need, in the Housing and Economic Development Needs Assessment (HEDNA⁵). However, the physically constrained nature of Portsmouth, and limited supply of land, has a significant influence on development within the City. and the capacity driven housing target put forward in the Local Plan. Further detail can be found in the Pre-Submission Local Plan (2024), the Housing Background Paper and in paragraph 1.1.9 below.
- 1.1.8 The extant Portsmouth Plan Core Strategy 2027⁶ was adopted in January 2012. The Portsmouth Plan sets out that during the plan period, from 2012 to 2027, the housing target was to be 7,537 net new dwellings, which equates to approximately 500 homes per annum. However, the housing requirement set in the Portsmouth Plan was 5 years old in April 2017, and housing requirements after this date are based on the Government's Standard Method housing need figure as set in latest the National Planning Policy Framework (Dec 2023) and planning practice guidance.
- 1.1.9 The Government have set out proposed changes to the standard methodology in its consultation (July - September 2024). The impact of such changes, if and when finalised, are largely outside the scope and purpose of this paper, which is focused on monitoring housing delivery in the period from 2019 to 2022 (see paragraph 1.1.1) using the corresponding housing requirement for that period.
- 1.1.10 It is important to note that while PCC, as the Local Planning Authority, is responsible for delivering the housing needed by the people of Portsmouth through the Local Plan, including suitable land allocations for housing, and the granting of planning permissions for new homes with appropriate conditions through Development Management, the Housing Delivery Test is a separate tool aimed at monitoring, managing and accelerating housing delivery across the country. As outlined above, the HDT assesses the number of new homes constructed in the City against the housing requirement set by Government, using the standard methodology. The standard methodology has been critically appraised in the Council's Housing and Economic Development Needs Assessment (HEDNA, 2023), which informs the emerging Local Plan's Housing Target. The City Council recognises that the requirements under the Housing Delivery Test as set in national planning policy are binding upon it.
- 1.1.11 A distinction should be noted between the HDT and 5-year housing land supply, which is a calculation of whether there is a deliverable supply of homes to meet the planned housing requirement over the next five years, as set out in the Council's Annual Monitoring and from 2025/26 through the emerging Local Plan and Housing Background Paper⁷. The Council's five-year land supply, with an appropriate buffer⁸, must be set out in accordance with the Government's standard method target.

⁴ [portsmouth.gov.uk/wp-content/uploads/2024/04/5-01-PCC_Housing-and-Employment-Land-Availability-Assessment_Methodology_FINAL-1.pdf](https://www.portsmouth.gov.uk/wp-content/uploads/2024/04/5-01-PCC_Housing-and-Employment-Land-Availability-Assessment_Methodology_FINAL-1.pdf)

⁵ [portsmouth.gov.uk/wp-content/uploads/2024/04/4-Portsmouth-HEDNA_Final-Report-Dec-2023-CONFIDENTIAL-1.pdf](https://www.portsmouth.gov.uk/wp-content/uploads/2024/04/4-Portsmouth-HEDNA_Final-Report-Dec-2023-CONFIDENTIAL-1.pdf)

⁶ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/The-Portsmouth-Plan.pdf>

⁷ <https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/portsmouth-local-plan-evidence/#homes>

⁸ As per para. 79 of the National Planning Policy Framework (updated December 2023).

1.2 Housing Delivery Test

- 1.2.1 The Housing Delivery Test (HDT) was introduced by the Government in 2018 as a monitoring tool aimed at speeding up the delivery of housing. The HDT is an annual measurement of housing delivery (the total number of new houses and flats, including student and other C2 delivery completed) as a proportion of need, as set by the Government's standard method, on average, in the HDT period (in this case, 2019 to 2022). The HDT results for all local authorities in England have been published annually since February 2019 and are usually published at the start of the year (January or February). The 2022 HDT was not published until December 2023, due to a Government consultation on substantive changes to the HDT for 2022. The Government did not proceed with the proposed changes, but the consultation resulted in a 10-11 month delay in publication of 2022 HDT figures.
- 1.2.2 The HDT result determines the level of consequences applied to the local authority where the delivery of the housing requirement has not been met. National Planning Practice Guidance (PPG) provides further details on Government planning policies set out in the National Planning Policy Framework (NPPF), including the Housing Delivery Test measurement. This states where delivery of housing has fallen below the housing requirement, certain policies set out in the NPPF will apply. Depending on the level of under-delivery these are:
- Where housing delivery falls below 95% over the previous three years, the authority should publish an action plan to identify the causes of under-delivery and identify actions to increase delivery;
 - Where housing delivery falls below 85% over the previous three years, a 20% buffer should be applied to the local planning authority's identified 5 year land supply; and
 - Where housing delivery falls below 75% over the previous three years, the presumption in favour of sustainable development applies.
- 1.2.3 These consequences apply concurrently. For example, those local authorities where housing delivery falls below 85% should produce an action plan as well as the 20% buffer. The consequences will continue to apply until the subsequent HDT measurement is published. The relevant consequences for any under-delivery will then be applied. Should delivery meet or exceed 95%, no consequences will apply.
- 1.2.4 In line with NPPF Paragraph 11, the primary implication of the presumption in favour of sustainable development for decision takers is that policies which are most important for determining applications are out of date and hence planning permission should be granted unless:
- The application of policies in the NPPF that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or
 - Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the NPPF as a whole.

1.3 Housing Delivery Test Results (December 2023)

- 1.3.1 The HDT Measurement Rule Book (February 2019⁹) sets out the method for calculating the HDT result. The HDT compares the net homes delivered over the **previous three financial**

⁹ <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

years to the homes needed over the same period as identified by the housing requirement for each authority, as set by the Government's standard method. The housing requirement is either that identified in a recently adopted Local Plan i.e. where the plan is less than 5 years old, or a standard methodology is applied, as set out in the HDT Technical Note¹⁰ (December 2023), namely the annual average household growth plus any unmet need.

- 1.3.2 The most recent HDT results were published by the Government on 19th December 2023 for the 2019/20 - 2021/22 period. Similar to the previous year's HDT, there was a rolling shortfall of 1,380 dwellings, which meant that PCC's HDT result was 38%, based on 856 new homes completed in the three year period. Therefore, as a consequence of the HDT result, there is a requirement for PCC to prepare an Action Plan, include a 20% delivery buffer on top of the annual minimum housing target in its 5 year housing land supply, and apply the presumption in favour of sustainable development. The Action Plan should cover the period 1 April 2023 to 31 March 2024.
- 1.3.3 It should be noted that due to the delayed publication of the 2022 HDT results, this HDT AP has been produced retrospectively. Data beyond the 2019/20-2021/22 period has been included (where relevant) for information purposes, and will it be explored in greater depth in the next iteration of the HDT AP for 2024-25.
- 1.3.4 The Housing Delivery Test results 2019/20 - 2021/22 are set out in Table 1 below. In light of the temporary disruption caused by the national lockdowns announced during 2020 to 2021 due to the Coronavirus Pandemic, Government reduced the period for measuring the homes required in 2019/20 by one month and by four months in 2020/21. No adjustment was made for 2021/22 despite the continuing impacts of the Pandemic. Table 1 below shows what the original figure would have been in brackets if the Government had not adjusted the requirement. The requirement was reduced from 855 to 794 in 2019/20 and from 854 to 569 in 2020/21, meaning that PCC's result was 38% rather than the expected 33%.

Table 1: Portsmouth Housing Delivery Test Result, December 2023

	Year			Total
	2019-20	2020-21	2021-22	
Number of homes required	794 (855)	569 (854)	873	2,236 (2,582)
Number of homes delivered	270	300	286	856
Difference	-524 (-585)	-269 (-554)	-587	-1,380 (-1,726)
Housing Delivery Test Result				38% (33%)
Housing Delivery Test Consequence				Action Plan, Presumption and 20% buffer

- 1.3.5 To put these results in context, across the Partnership for South Hampshire (PfSH) sub region, four Local Planning Authorities (Fareham, Gosport, Havant and Portsmouth) saw their housing delivery fall below 75% which is an increase on the previous year as can be seen in Table 2 below.

¹⁰ <https://www.gov.uk/government/publications/housing-delivery-test-2022-measurement/housing-delivery-test-2022-measurement-technical-note>

Table 2: PfSH Authorities Housing Delivery Test Results 2021 and 2022

Area Name	Housing Delivery Test: 2021 measurement	Housing Delivery Test: 2021 consequence	Housing Delivery Test: 2022 measurement	Housing Delivery Test: 2022 consequence
East Hampshire	138%	None	112%	None
Eastleigh	178%	None	156%	None
Fareham	62%	Presumption	42%	Presumption
Gosport	100%	Buffer	65%	Presumption
Havant	74%	Presumption	71%	Presumption
New Forest	141%	None	92%	Action Plan
Portsmouth	54%	Presumption	38%	Presumption
Southampton	138%	None	75%	Buffer
Test Valley	184%	None	189%	None
Winchester	139%	None	154%	None

- 1.3.6 The previous years' (January 2022) HDT results set out that the City built 54% of its housing requirement, with an under-delivery of 1,023 dwellings over the previous three years (2018 - 2021) against the standard method requirement of between 854 and 857 dwellings per annum (adjusted, as outlined in 1.3.4. above to account for the impacts of the Pandemic). Student accommodation made up 72% of the total net completions for the 2018-2021 period, however this trend has not continued as the number of student accommodation completions declined both in 2019/20 and 2020/21, making up only 12% and 4% of sites as of 31.03.2020 and 31.03.2021 respectively.

1.4 The Housing Delivery Test Action Plan

- 1.4.1 Chapter 1 of this document sets out the national and local context for this document while the actual HDT AP is set out in Appendix 1. This has been produced by the LPA in line with requirements set out in the PPG which states that such plans should:
- outline the local challenges;
 - identify actions to address under delivery in so far as possible; and
 - set out measures to maintain or improve levels of delivery.
- 1.4.2 The PPG for Housing and Delivery¹¹ sets out that the LPA may wish to include an analysis of under-delivery in their Action Plans considering any:
- Barriers to early commencement after planning permission is granted and whether such sites are delivered within permitted timescales;
 - Barriers to delivery on sites identified as part of the 5 year land supply;
 - Whether sufficient planning permissions are being granted and whether they are determined within statutory time limits;
 - Whether the mix of sites identified is proving effective in delivering at the anticipated rate;
 - Whether proactive pre-planning application discussions are taking place to speed up determination periods;
 - The level of ongoing engagement with key stakeholders to identify more land and encourage an increased pace of delivery;

¹¹ <https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test--action-plans>

- Whether particular issues such as infrastructure or transport could be addressed at a strategic level - within the authority, but also with neighbouring and upper tier authorities where applicable
- 1.4.3 Chapter 2 of this report sets out an initial analysis of potential barriers to housing delivery in Portsmouth.
- 1.4.4 The PPG (paragraph 51) also sets out potential actions LPAs could consider as part of the Action Plan including revisiting:
- the Strategic Housing Land Availability Assessment (SHLAA) / Housing and Economic Land Availability Assessment (HELAA) to identify sites potentially suitable and available for housing including public sector land and brownfield land. This may include a new call for sites;
 - revising site allocation and related policies in the development plan, where they may act as a barrier to delivery, to increase the rate of delivery;
 - ensuring evidence on sites is informed by an understanding of viability;
 - offering more pre-application discussions and considering the use of Planning Performance Agreements;
 - working with developers on the phasing of sites, including whether sites can be sub-divided;
 - engaging regularly with key stakeholders to obtain up-to-date information on build out of current sites, identify any barriers, and discuss how these can be addressed;
 - establishing whether certain applications can be prioritised, conditions simplified or their discharge phased on approved sites, and standardised conditions reviewed;
 - considering compulsory purchase powers to unlock suitable housing sites;
 - using Brownfield Registers to grant permission in principle to previously developed land; and
 - encouraging the development of small and medium-sized sites.
- 1.4.5 In light of the PPG requirements, Chapter 4 of this report monitors the progress of identified actions taken for the period 1 April 2022 to 31 March 2023 by the LPA, often in conjunction with other PCC colleagues and/or external parties. Chapter 5 sets out the conclusions drawn, and the Action Plan for the current year (2023-2024 - now retrospective as explained in paragraph 1.3.3) can be found in Appendix 1.

Presumption in favour of sustainable development

- 1.4.6 The NPPF in paragraph 11 states that when it comes to decision-making the presumption in favour of sustainable development will apply where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless:
- i. The application of policies in the NPPF that protect areas or assets of particular importance provides a clear reason for refusing the development proposed, or
 - ii. Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole.
- 1.4.7 A Local Plan/planning policies are considered 'out-of-date' either where: (a) the local planning authority cannot demonstrate a five-year supply (or four year supply, if applicable, as set out in paragraph 226 of the NPPF) of deliverable housing sites (with the appropriate buffer, as set out in paragraph 77 of the NPPF) and does not benefit from the provisions of paragraph 76; or (b) where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 75%) of the housing requirement over the previous three years.

- 1.4.8 As housing delivery within the City has fallen below 75% the Council must apply the presumption in favour of sustainable development when making decisions on planning applications. This means that, in accordance with para. 11 d) of the NPPF, decisions on applications involving the provision of housing should be granted permission, unless NPPF protected areas or assets of particular importance provides a clear reason for refusing the development proposed, or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the NPPF taken as a whole. However, as Portsmouth has been unable to demonstrate a five-year housing land supply in recent years, this presumption currently applies already.

2 Potential Barriers to Housing Delivery

2.1 Introduction

- 2.1.1 The PPG sets out a series of factors which may impact upon housing delivery, as set out in the previous section. This section analyses each factor recommended in the PPG and has been updated to conclude whether it may have impacted on the delivery of new homes during the 2019/20 to 2021/22 period.

2.2 Planning permissions

The PPG recommends that LPAs consider 'whether sufficient planning permissions are being granted and whether they are determined within statutory time limits.' Furthermore, whether proactive pre-planning application discussions are taking place to speed up determination periods.

Sufficient granting of planning permissions

- 2.2.1 As can be seen in Table 3 below, 2,220 dwellings were granted planning permission over the three year period, of which 856 dwellings were completed, and a further 743 commenced; a ratio of 39% homes granted to homes delivered (or 72% if included commenced schemes).
- 2.2.2 The number of completed dwellings amount to just under half of the number of dwellings granted planning permission during the same period. However, is important to note that permissions may have been carried over from previous years and may not necessarily be 'new' permissions. Nevertheless, the data strongly suggests that the Development Management process is not holding up delivery in the City, and that there may have been other reasons, outside of the Local Authority's control, for lower housing delivery during the period.

Table 3: Dwellings permitted, commenced and completed during 2019 - 2022

Monitoring Year	Dwellings Permitted	Dwellings Commenced	Dwellings Completed
2019/2020	1,418	288	270
2020/2021	385	49	300
2021/2022	417	406	286
Total	2,220	743	856

Determination times

- 2.2.3 Table 4 below shows that a majority of planning applications were determined within the statutory period, with on average 87% of major and 76% of minor applications being determined within the 13 week and 8 week deadline respectively. This would suggest that whilst these rates could still be increased/ improved, the speed with which applications were determined by the Council is unlikely to have been a significant constraint to housing delivery for the period.

Table 4: Percentage of Applications Determined by year and time (Source MHCLG)

Year	Major decisions within 13 weeks	Major decisions, over 13 weeks	Minor decisions within 8 weeks	Minor decisions over 8 weeks	Other decisions within 8 weeks	Other decisions over 8 weeks
2016/17	85%	15%	84%	16%	90%	10%
2017/18	82%	18%	77%	23%	83%	17%
2018/19	94%	6%	74%	26%	78%	22%
2019/20	83%	17%	76%	24%	81%	19%
2020/21	100%	0%	78%	22%	74%	26%
2021/22	87%	13%	76%	24%	73%	27%

2.3 Pre-application discussion

- 2.3.1 The PPG suggests that LPAs should ensure that proactive pre-planning application discussions are taking place to speed up determination periods. As can be seen in Table 5 below, Portsmouth City Council processed a significant number of pre application discussions. Although there was a gradual decline during the HDT period, this could reflect the uncertainty affecting housing development due to the COVID 19 pandemic at this time (see section 2.10). The low refusal rates for the same period (Table 6) could also indicate that the nature of pre-app discussions undertaken were effective.

Table 5: Pre-application cases received April 2019 to March 2022

Year	2019-2020	2020-2021	2021-2022
No of Pre-Apps	479	438	362

Table 6: Applications by type and decision made April 2019 - March 2022

(Source MHCLG)

Application Type	Decision	Year		
		2019-2020	2020-2021	2021-2022
Major	Granted	83%	100%	88%
	Refused	17%	0%	12%
Minor	Granted	87%	89%	89%
	Refused	13%	11%	11%

- 2.3.2 It is evident from Table 5 that the Council are being proactive in having pre-planning application discussions with applicants (both internal and external) to speed up determination periods and achieve suitable outcomes. It is therefore not considered to be a major barrier to delivery of housing.

2.4 Barriers to Commencement

- 2.4.1 The PPG recommends that the LPA examine barriers to early commencement after planning permission is granted and whether such sites are delivered within permitted timescales. Barriers to commencement resulting from the LPA include granting permissions with overly restrictive conditions and allocated sites with insurmountable development requirements, either through inappropriate or out of date allocations.

- 2.4.2 As can be seen in Table 7 below, between April 2019 and March 2022 a total of 186 dwellings with planning permission were not delivered in the City because of a lapse of permission where development failed to commence within the permitted timescales. To compare this to what was successfully delivered in the City during this time, this equates to 22% of the total number of dwellings completed. This shows that the majority of the permissions that the City Council permits are being delivered.
- 2.4.3 There is a comparatively small number of dwellings that remain 'under construction' for a lengthy period (175 dwellings, which would represent 20% of the amount delivered during this period), suggesting there are some smaller sites that have commenced implementation of their planning permission, but the build out rate of the site may be slow. Given that for a start to be made in most cases planning constraints and conditions on development would have needed to have been satisfied, it is likely that development viability (see section 2.9), finance, or other non-planning related constraints are responsible for these developments stalling during the construction phase.
- 2.4.4 Whilst every dwelling is needed to help meet Portsmouth's housing target, as the proportion of dwellings with lapsed permissions is minor compared with the number total dwellings completed during this period, it seems unlikely that the Council was creating major barriers to commencement through conditions attached to the grant of planning permission or other planning related issues.

Table 7: Number of dwellings commenced and lapsed since April 2019 - March 2022

Year	No. of Dwellings permitted	Dwellings Commenced	No of Dwellings where permission has lapsed	No of dwellings under construction for more than 5 years	Dwellings completed
2019 - 2020	1,418	288	18	32	270
2020 - 2021	385	49	8	74	300
2021 - 2022	417	406	160	69	286
Total	2,220	743	186	175	856

- 2.4.5 However, it is important to highlight that concerns surrounding nitrates pollution in the Solent resulted in planning applications being put on hold. It is likely that this played a part in delaying development within the City, which will be explained in greater detail in section 2.9.

2.5 Housing Delivery on Allocated Sites

- 2.5.1 The PPG recommends that the LPA reviews whether the mix of sites identified in the adopted Local Plan is proving effective in delivering at the anticipated rate. The extant Portsmouth Plan (2012) is reliant on a number of strategic sites, such as Tipner and Portsmouth City Centre, to meet the majority of the Council's housing target; a site allocations document was intended to follow the Core Strategy but was not progressed due to a change in direction in national planning policy. As can be seen in Table 8 below, delivery on the adopted Strategic Sites was limited in the 2019 to 2022 period. There has been some housing delivery in the City Centre largely from a significant amount of new student accommodation and office to residential conversions under permitted development rights. However, the housing allocations for Tipner and Port Solent are yet to come forward.
- 2.5.2 New master planning work is currently being undertaken for these sites. Portsmouth City Centre and Tipner in particular are considered to have potential to deliver significantly more development and new homes than was envisaged by the 2012 Portsmouth Plan. Progress on

the evidence base for taking forward adopted allocations is outlined in the Councils Annual Monitoring Report¹².

Table 8: Delivery on allocated sites 01.04.2019 - 30.03.2022

Strategic Allocation	Portsmouth Plan allocation	2019/20	2020/21	2021/22	Total
PCS1: Tipner	1,730	0	0	0	0
PCS2: Port Solent	500	0	0	0	0
PCS4: Portsmouth City Centre	1,600	57*	277*	0	*334
PCS6: Somerstown and North Southsea	539	0	0	0	0

*These are student completions with every 2.5 student bedrooms providing the equivalent of 1 dwelling

Table 9: Housing Trajectory for the Portsmouth Plan Period (2006/07-2026/27)

Source	Anticipated Delivery
Homes built from 2006/07-2009/10	3,273
Development in the pipeline	1,216
Strategic Sites	3,119
Other Town Centres	602
Potential Sites	1,674
Windfall	1,600

2.5.3 When considering potential past reasons for under delivery of development on the City's strategic sites, there needs to be consideration of the specific constraints which face them as urban and brownfield land:

1. **Land assembly** - many of the City's strategic sites have required or will require significant land assembly either by Portsmouth City Council as the Local Authority or a private developer or partnership. This has been a notable constraint for the City Centre and Tipner Strategic Development Area sites, resulting in delays for both sites.
2. **Changing market conditions** - Changes at a national and global level have led to delays in bringing strategic sites forward in the City. The City Centre had secured permission for retail led expansion and redevelopment in the late 2000's. However the changing market following the 2008 recession, the Covid pandemic and the continuing move to e-commerce¹³ has removed much of the demand that would have driven that scheme, and resulted in the need for a new approach for development and growth in the area.
3. **Physical site constraints** - flood risk, land contamination, as well as the high degree of nature conservation designations associated with the City, also play a role in inhibiting development on several of the strategic sites, such as Tipner.

2.5.4 Nevertheless, the strategic sites identified in the Portsmouth Plan have not been delivered on the trajectory envisioned (Table 9 above), in part due to the constraints identified above. The

¹² <https://www.portsmouth.gov.uk/services/development-and-planning/planning-applications/annual-monitoring-reports/>

¹³ E-commerce relates to commercial transactions conducted electronically on the internet, i.e. online shopping.

existing allocations are being revisited as part of the preparation of the new Local Plan, as well as new allocations. Further details can be found in Section 3 of this HDT AP.

2.6 Changes to National Policy on Housing Need

- 2.6.1 It should be noted that changing national policy has also been factor in 'under-delivery'. Since initial proposals for many of the City's strategic sites were developed and adopted, the Government introduced the Standard Method for calculating housing need. This is a policy off figure, that does not account for the City's significant physical constraints on sites, and in the absence of an up to date Local Plan, resulted in a much higher housing need for the City than the adopted Local Plan and its supporting evidence (420 per annum). Table 10 below illustrates how housing need has changed over time during this period, first as revised inputs became available, then when changes to the Standard Method took effect (from September 2017 onwards). The housing need calculated for 2023 has been included as context.

Table 10: Portsmouth Housing Need Standard Methodology

Date of release	Change	Annual figure
Jan 2012	Local Plan adopted (Policy PCS10) requirement	420
Sep-2017	Initial publication	835
May-2018	Revised affordability	863
Sep-2018	Revised household projections	595
Oct-2018	Revised NPPF	863
May-2019	Revised affordability	867
Dec-2020	Revised Methodology	855
Apr-2021	Revised affordability	872
Apr-2022	Revised affordability	906
Jan-2023	Revised household projections	910
Mar-2023	Revised affordability	899
July-2024	Emerging Pre-Submission Local Plan (Reg 19) requirement	680
July-2024	Draft revised Standard Methodology	1098

- 2.6.2 It should be noted that while the Pre-Submission Portsmouth Local Plan sets a housing target of 680 new homes per year, it acknowledges the standard method derived need figure of 899 new homes per year and potential for further increases with the Government's draft revised Standard Methodology (July 2024¹⁴). It is also noted that updates to the Government standard method need will continue to be the basis for the Housing Delivery Test until adoption of Portsmouth's emerging Local Plan (expected in winter 2025/26). Use of the Standard Method as the City's housing requirement remains an unrefined and unconstrained method of assessment that does not reflect local availability and suitability of sites for housing development, as outlined in the Council's Housing and Employment Land Availability Assessment (HELAA, 2023¹⁵) and wider comprehensive evidence base. It is anticipated that this will be reflected in forthcoming HDT results.

¹⁴ Proposed reforms to the National Planning Policy Framework and other changes to the planning system (2024) <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>

¹⁵ www.portsmouth.gov.uk/wp-content/uploads/2024/08/02-PCC_Housing-and-Employment-Land-Availability-Assessment_2023-Report_FINAL-latest-version-for-CDL.pdf

2.7 Insufficient housing land supply

- 2.7.1 This paper should also consider whether there was sufficient identified land available for housing development during the 2019/20 to 2021/22 period.

Portsmouth 5-year land supply

- 2.7.2 As can be seen in Table 11 below, Portsmouth had a five year land supply in 2016-17 and in 2017 to 2019 it was only just under five years at 4.7 years. However, the Council's five year land supply has been on a decline since 2018/19, dropping to 2.9 years in 2021-22 with a slight increase to 3.31 years in 2022-23 (Authority Monitoring Report 2023)¹⁶.
- 2.7.3 The primary reasons for the decline in the five year land supply are the slow delivery of the strategic sites allocated in the 2012 Plan (see section 2.5 for further analysis), and also the limited amount of available development land within the City, given its physically constrained island geography. The decline was also due to substantial increases in the City's housing need, since the 2012 Plan, due to the introduction of the Government's Standard Method calculation, which has continued to increase in recent years (see Table 10). There is also the 20% buffer that needs to be applied.

Table 11: Portsmouth's 5 year Land Supply position since April 2016

	Monitoring Year					
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Land Supply in years	5.1	4.7	4.4	4.4	3.8	2.9

2.8 Engagement with stakeholders on identifying development land

- 2.8.1 This section looks at whether there was sufficient on-going engagement with key stakeholders (for example, landowners, developers, utility providers and statutory consultees) during the 2019-2022 period to identify land for new homes and encourage an increased pace of delivery.
- 2.8.2 The City Council undertook stakeholder engagement as part of its preparation of the Housing and Economic Land Availability Assessment (HELAA). As part of the HELAA work, a number of "Call for Sites" have been undertaken, including two in the period from 2019 -22: in the autumn 2019 and winter of 2021/22. Major landowners and agents active in the City were contacted, as well as relevant individuals who had previously expressed an interest through Planning Policy consultations. Details on the Call for Sites were placed on the Council's website. Key information on specific aspects, such as size of site, current use, proposed scale of development etc. was sought from respondents in a consistent manner.

¹⁶ <https://www.portsmouth.gov.uk/wp-content/uploads/2023/12/authority-monitoring-report-dec-2023-aa-accessible-v3.pdf>

- 2.8.3 A focused consultation with landowners also took place in February 2022. This involved contacting a selection of landowners/agents with land ownership interest in sites within the City Centre, Cosham and a selection of small sites.
- 2.8.4 These consultations resulted in a number of sites being put forward for development. Twelve sites were submitted under the autumn 2018 consultation and fifteen under the 2021/22 winter consultation; and over half of the sites submitted were new. The landowner consultation also resulted in positive engagement with landowners.
- 2.8.5 The significant proportion of sites being put forward and active discussions with landowners suggest that a lack of stakeholder engagement by the City Council is not a limiting factor for the number of potential housing sites coming forward. However, it is important to note that although a number of new sites were submitted, several were not deemed deliverable and/or developable following robust analysis under the HELAA. Thus, other factors, such as the physically constrained nature of the City and/or the viability of such sites (see section 2.5), may be impacting the availability of sites for development.

2.9 Development Viability

- 2.9.1 The adopted Portsmouth Plan (2012) and the Community Infrastructure Levy (CIL) were prepared with supporting City-wide viability appraisals. However the economy has seen significant changes since the 2012 Plan was published and its evidence base prepared. During the period of this HDT (2019-2022) the Covid-19 Pandemic hit, with widely documented disruption and significant impacts on the economy. This had implications for build costs and operations, and negatively impacted viability and delivery of housing across the City.
- 2.9.2 There are two main factors that affect development viability in Portsmouth. The first of these is the lower housing prices than much of the surrounding area; the average house price in Portsmouth during this HDT period is 203rd lowest (out of 339) at £237,526¹⁷ of the Local Authorities nationwide. This is exacerbated further when considered in the context of South East England, which is characterised by higher house prices. The second main factor is the geographically constrained nature of the City, which limits the amount of land available for development (due to flooding and nature conservation designations). The majority of sites identified as being suitable for development are brownfield which, due to previous land uses and potential contamination and costs associated with addressing flood risk and other policy requirements, can result in challenging viability.
- 2.9.3 There have been difficulties bringing forward development at the scale anticipated in the 2012 Plan through its identified strategic sites and regeneration areas, highlighted in Section 2.5. This has been due to land assembly issues and new viability constraints. These are linked to necessary policy requirements, such as requirements for flood risk infrastructure including flood defences, to safely accommodate residential development and/or other sensitive uses in line with national guidance on flooding. A full, long term flood defence strategy for the whole City, which provides the required approach and timescales for implementation, had not been finalised at the time of preparing the adopted 2012 Local Plan.
- 2.9.4 Further viability constraints resulted from additional habitat mitigation policy requirements coming into force, as a result of updated national and Council guidance. These weren't anticipated when the Local Plan and CIL were adopted in 2012 and affect development

¹⁷ PCC Development Viability Assessment – October 2020. Note that house price data has been updated in the Development Viability Assessment 2024, showing a nearly 30% increase across the City, which is reflected in the Pre-Submission Local Plan. 2020 house price data is used here as it is relevant to this HDT period.

viability. They include the Habitat Regulations to mitigate the impacts of residential development on the Solent's Special Protection Areas (SPAs), including the finalised Solent Recreation Mitigation Strategy (2017) and the Nutrient Neutral Mitigation Strategy (2019 and 2022, further details below). These requirements resulted in additional costs to residential development and have made the viability of development in Portsmouth even more challenging during the HDT period.

- 2.9.5 The City Council has commissioned two Viability Assessments (2020 and 2024) to support the preparation of the emerging Local Plan and has consulted on the requirements for development contributions. Further detail can be found in Section 3 of this document.

2.10 COVID 19 Pandemic

- 2.10.1 Although not identified in the PPG as a potential reason for under-delivery, the unprecedented challenges of the pandemic brought numerous challenges upon the Council as a whole, including challenging the Development Management service's ability to continue progressing planning applications in a timely fashion during successive lockdowns. Below are some examples of how the pandemic had an impact on progressing planning applications between 2019/20 and 2021/22:

- Planning Committees were moved online
- There was no validation of planning applications for c. 5 weeks (March-April 2020), as Validation staff did not have laptops and were not allowed in the office.
- The issuing of decisions was switched from the Validation Team to Officers.
- Delegated reports and enforcement notices had to be signed in live ink, which posed many difficulties with people working from home.

- 2.10.2 However, officers continued to work diligently from home to ensure democratic decision making could continue.

- 2.10.3 There was also a significant impact on the construction industry itself, with many sites facing material shortages and being unable to continue working during the initial lockdown in March 2020. The subsequent national and local lockdowns and restrictions on employers with regards to social distancing in the workplace limited the number of staff on sites, which impacted the rate of sites being delivered.

- 2.10.4 In response to the COVID-19 pandemic, the Ministry for Housing Communities and Local Government reduced the housing requirement for 2019/20 by one month and by four months in the HDT 2021, the implications of which will also impact the next set of HDT results. Given the significant reduction in the commencements during 2020/21 and 2021/22 set out in Table 3, it is likely that the impact of the Pandemic will continue to be felt on development within the City for some time to come which will impact the results of future HDTs.

2.11 Nitrate Neutrality

- 2.11.1 For many years, Natural England and Central Government have been issuing and updating guidance to local planning authorities and developers on how to become 'nutrient neutral.'

- 2.11.2 Following changes in European Case law, and fears over increasing nitrates pollution in the Solent, in June 2019 Natural England advised five local planning authorities (Southampton,

Portsmouth, Fareham, Gosport and East Hampshire) that planning applications for new housing should be put on hold, unless they could demonstrate they were 'nitrate neutral'. The Solent SPA surrounds Portsea Island and thus, Portsmouth took the advice on board and made the decision to put determining planning applications on a temporary hold.

- 2.11.3 In November 2019, PCC had approved the first *Interim Nutrient Neutral Mitigation Strategy*¹⁸ for New Dwellings to address the need for mitigation; only a few months after Natural England issued their advice. It was then updated and consequently approved in June 2022¹⁹.
- 2.11.4 The issues surrounding nitrate neutrality had an impact on DM services; particularly in the first year of this Housing Delivery Test period (April 2019 - March 2020) where, apart from several exceptions, no residential or overnight accommodation consents were issued. This resulted in a backlog of planning applications. PCC were quick to respond and put a Strategy in place that allowed development to be permitted again by November of 2019 (working with neighbouring local authorities), however it is possible that nitrate neutrality played a part in delaying delivery within the City in the first part of 2019. The need to mitigate the nitrate impacts of development are likely to have an impact on delivery for years to come, due to increased costs impacting development viability.

2.12 Conclusions on Potential Barriers to Housing Delivery

- 2.12.1 The Council produced this updated HDT AP following the publication of the Housing Delivery Test results in December 2023. The number of new homes built in Portsmouth in the past three years was an average of 38%²⁰ of the City's set annual housing requirement, which is significantly below the Government's aspirational target of 95% delivery for all local planning authorities.
- 2.12.2 Having analysed the factors identified in the PPG that may be responsible for under-delivery of new homes against the Government's assessed annual housing target, the data available for the 2019/20 - 2021/22 period indicates that the City Council's planning service has been performing well, with a large majority of planning applications being determined within required timeframes; whilst there was a drop in the number of homes permitted compared to the previous year, a majority of schemes which came forward were approved (88% for majors and 89% for minors on average). Regular stakeholder engagement on identifying development sites in the City was also undertaken during this time.
- 2.12.3 However, possible barriers have been identified in the challenges of delivering of large-scale strategic sites allocated in the 2012 Core Strategy, including land assembly, changing market conditions and new viability constraints (including flood defence needs and habitat mitigation requirements). The 5-year land supply dropped significantly during this period, and there are recognised constraints on land supply (including the development of challenging brownfield sites).
- 2.12.4 COVID-19 Pandemic has had some impact on delivery in the short term, particularly with regards to the restrictions during March to July 2020, November 2020 and then again during December 2020 to February 2021. However, it is expected that there will be a long-term impact on the construction industry and thus, housing delivery for some time to come. Viability challenges in the City due to site specific constraints, high cost of brownfield land

¹⁸ <https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/Interim-Nutrient-Neutral-Mitigation-Strategy.pdf>

¹⁹ Inclusive of an adjustment for the initial pandemic lockdown in March 2020.

development and the low value of development land will also likely have an impact. Development Management services were also impacted during this period.

- 2.12.5 The impact of Government's changing national policy should also be considered. There is a significantly higher housing target calculated using the Standard Methodology in the absence of an up to date Local Plan than was envisioned when the Local Plan was adopted in 2012. This is anticipated to increase further if the changes outlined in the Government's summer 2024 consultation on national planning policy and the Standard Method are finalised. These changes are set out in Table 10.
- 2.12.6 Nitrate Neutrality issues during the period also put a number of planning applications on hold, which affected the rate of delivery within the City. Although this hold on determining planning application was temporary, it is likely that the need to mitigate against such environmental impacts of development will have an impact on delivery for years to come.
- 2.12.7 Overall, the evidence supports the conclusion that the main constraints to delivery (as reflected in delivery in the 2019 - 22 period) in the City are not due to how the Council's Planning Service performed, but rather by inherent structural issues facing the City caused by its unique geographical constraints including the limited availability of developable land, flooding and nature conservation designations market position, the viability of brownfield land, as well as the changing environmental case law and Government's position on the nitrate pollution issue in the Solent. Furthermore, this is exacerbated by the high housing need generated by the Standard Methodology, which forms the housing target for the City in the absence of an up to date plan.

3 Actions to Improve Housing Delivery

3.1 Introduction

- 3.1.1 To address the key issues identified in Chapter 2 (land availability, development viability, and nitrate mitigation) the Council has outlined several possible key actions to help deliver new homes in Portsmouth. This chapter will address each issue and set out what actions have been taken to date and under the 2022-2023 HDT AP or will be taken. Given the delayed publication of the 2022 HDT results, it is important to highlight that a significant amount of work has already been undertaken since the publication of the last HDT AP, that helps to improve housing delivery across the City.

3.2 Development Management

- 3.2.1 Although Development Management (DM) has not been identified as a significant barrier to delivering new homes, the COVID-19 pandemic significantly impacted the DM Team with reductions in the service capacity, resulting in a backlog of applications awaiting determination; an issue that many local planning authorities saw during this time.
- 3.2.2 A number of different approaches have been taken to reduce this backlog. Principal among them has been the carrying out of a full process review of the application system, with the help of the Council's 'System Thinking' interventionist. This process review identified a number of areas where efficiencies could be created, and process wastage removed. Areas of improvement included how advice and application decisions are taken, and how officer reports could be more concise and to the point. These two principal measures streamlined the application system, and made an important difference to average time taken for applications determined under delegated powers.
- 3.2.3 DM also had two concentrated periods working to reduce the backlog of planning applications, one in Spring 2022 and the other in Spring/Summer 2023. Both performance drives were very effective in determining a significant number of applications and so, reducing the total volume of live applications.
- 3.2.4 While steps are being taken to improve the determination process, the Council also sought to increase staffing capacity. This was undertaken in two ways: the outsourcing of a number of cases to a private sector company experienced at managing planning applications in 2021; and the recruitment of additional temporary contract staff to increase the number of professional planners assessing and processing applications. Staff numbers were increased significantly across the second half of 2020.
- 3.2.5 Through the review and amendment of internal processes to remove duplication and wastage, it is considered that the Council will be in a position to retain a sustainable workforce to meet demand and ensure all applications have a decision within the expected timeframe. The Department is also continuing to actively promote the wider use of Planning Performance Agreements (PPA) to establish a clear officer resource for projects (including other key departments such as Highways) against agreed determination timeframes, providing significant pre application advice for applicants as part of this process in order to ensure well designed housing and swift delivery. The use of PPA templates is being deployed across the DM team for all major applications. Other measures being considered include the wider use of s106 Unilateral Undertakings, required potentially at the validation stage of applications, to ensure that delays in application determination are minimised.

- 3.2.6 Greater use of bodies such as Design South East (DSE) and the Design Council is also being promoted to help deliver optimal development layouts and designs that, when submitted, can be processed and approved without significant delay. For example, DSE fed into the development process for schemes at Tipner East.

3.3 Land Availability

- 3.3.1 There are two main mechanisms that the planning team can use to address housing land supply issues in the City (in addition to the measure outlined in chapter 2) the first is to revisit the housing land supply through the Housing and Employment Land Availability Assessment (HELAA) and the second is to work with neighbouring authorities through the Duty to Co-operate to accommodate any unmet need arising.

Housing and Economic Land Availability (HELAA)

- 3.3.2 Portsmouth City Council has increased the level of ongoing engagement with key stakeholders to identify more land and encourage an increased pace of delivery. This includes engagement with the Council's 'development arm', the Strategic Developments teams and the Housing service. The Council's HELAA will be reviewed annually, as appropriate, to identify deliverable opportunities for new homes in the City, including engagement with landowners and key stakeholders as required.
- 3.3.3 Portsmouth City Council first published a Strategic HELAA (SHELAA) in 2009 with the most recent version being published in July 2024. The HELAA identifies potential deliverable and/or developable land for housing and employment use within the City. A wide range of sites were considered, including public sector land and due to the nature of the City, a large number of brownfield sites. The 2023 HELAA identifies a potential supply of 10,666 dwellings for the City (of which 2,127 dwellings are considered deliverable in the first 5-year period, and 8,357 are considered developable. This total supply is much greater than that identified in the 2021 HELAA, which was 4,681 dwellings.
- 3.3.4 The 2023 HELAA also identifies a large number of small and medium sized sites in order to decrease reliance on the main strategic allocation. Further details of which can be found in paragraph 3.1.4 below.
- 3.3.5 Due to the built up nature of the City and areas of challenging viability, sites can be difficult to bring forward. This is reflected in the City Council's updated Development Viability Assessment (2024²¹, detailed in section 2.9 of this report) which underpins the recommended approach for levels of developer contribution and affordable housing proposed in the Council's Pre-Submission Local Plan (published under Regulation 19 in July 2024). The emerging Plan sets aspirational targets for affordable housing of 30% but includes policy criterion to enable case by case viability testing as per the Viability Assessment's recommendations. It is hoped that taking on board these recommendations informed by viability testing will increase the levels of housing delivery on small and medium sized sites across the City by ensuring that developer contribution requirements are appropriate.
- 3.3.6 The City Council will continue to update and revise its HELAA to take account of any additional sites coming forward and will revisit the assumptions made on the capacity of identified sites as and when new information becomes available. The Council will also continue to engage with site owners and land owners on a regular basis to ensure that the sites are still available that there is still an interest to promote the site for development.

²¹ portsmouth.gov.uk/wp-content/uploads/2024/07/PCC-Development-Viability-Assessment-Update_2024.pdf

Working with others - Duty to Co-operate

- 3.3.7 As a consequence of the constraints on land availability outlined in Chapter 2, the Council is proactively working with other local authorities to meet the City's unmet housing need. This section summarises the Duty to Co-operate, detailed further in the Council's Interim Duty to Co-operate Statement (2024) and Statements of Common Ground regarding housing delivery²².
- 3.3.8 The Localism Act 2011 sets out the statutory framework regarding the Duty to Co-operate. The Duty to Co-operate covers a number of public bodies and these are set out in the *Town and Country Planning (Local Planning) (England) Regulations 2012* (as amended). Further information is contained in the National Planning Policy Framework (NPPF).
- 3.3.9 Local authorities are under a Duty to Co-operate with each other and with other prescribed bodies on strategic matters such as housing, economic growth, transport and infrastructure provision which have cross-boundary implications. This needs to be undertaken constructively, actively and on an ongoing basis to maximise the effectiveness of Local Plan preparation in the context of strategic cross-boundary matters.
- 3.3.10 In South Hampshire, there is a long history of effective cross-boundary working between local authorities and their strategic partners. PCC was a founding member of the Partnership for Urban South Hampshire (PUSH) which was formed in 2003 and renamed the Partnership for South Hampshire (PfSH) in 2019. PfSH includes twelve local authorities and closely collaborates with all the statutory bodies including the Environment Agency, Natural England and Homes England.
- 3.3.11 In June 2016, the PUSH Spatial Position Statement was published, setting out an overall vision and development targets for each Council up to 2034. It is based on significant cross-boundary evidence and will assist local authorities in meeting the Duty to Co-operate on strategic and cross-boundary matters, including but not limited to the climate emergency, housing, employment, transport and nutrient neutrality. As noted in the previous HDT AP, work was underway to update this evidence base; the 2023 Partnership for South Hampshire (PfSH) Spatial Position Statement was published in December 2023 and has replaced the 2016 PUSH Spatial Position Statement. It covers the period up to 2050.
- 3.3.12 Statements of Common Ground (SoCG) are being prepared and will be maintained on an ongoing basis throughout the plan making process. The advice in the national Planning Practice Guidance (PPG) is that as a minimum these statements should be published when the area covered and the governance arrangements for the co-operation process have been identified and the substantive matters to be addressed have been determined. The SoCG can then be used to identify any outstanding matters that will need to be addressed and the process for reaching agreements and where possible an indication of when such statements are likely to be updated.
- 3.3.13 The Council have undertaken work to agree and continue to update SoCG, with the following neighbouring authorities, and others as may arise:

²² The Interim Duty to Co-operate Statement and Statements of Common Ground can be found at <https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/portsmouth-local-plan-evidence/#duty>

- Partnership for South Hampshire (multi-lateral statement covering the South Hampshire sub-region)
- Fareham Borough Council;
- Havant Borough Council
- Winchester City Council;
- Gosport Borough Council;
- East Hampshire District Council; and
- Isle of Wight Council

3.3.14 The process and outcomes of this engagement are detailed in the Council's Interim Duty to Co-operate Statement (July 2024). SoCG have been published in support of the Council's Pre-Submission Local Plan in July 2024²³.

3.3.15 Through internal collaboration within and working with strategic partnerships such as PfSH, the Council is working hard to identify land both within and outside the authority area. The Council will continue to work proactively with other authorities on the distribution of housing need across the sub-region, including any SoCG on agreed contributions to Portsmouth's unmet housing need.

3.4 The new Portsmouth Local Plan

3.4.1 The emerging Local Plan has regard to changes to national planning policy since 2015, new evidence studies, public consultation, a revised PfSH Position Statement and the ongoing cross-boundary engagement highlighted above. Portsmouth is seeking to respond positively to the challenge of housing delivery. However, the City has very little land available for potential housing development given that it is already heavily urbanised. The significant open areas it does have are public open spaces and/ or areas of protected habitat of strategic importance to the City and the local communities.

'Regulation 18' Consultation Document (Portsmouth Local Plan 2038)

3.4.2 A 'Regulation 18' draft of the new Portsmouth Local Plan (PLP) was prepared and consulted on during September and October 2021. There were a number of proposed changes from the existing development plan which aimed to increase the supply of housing in the City to meet need as defined by the Standard Methodology. It included proposed strategic development site policies (Policies S1-S6), a new density policy (Policy H5) to maximise the development potential of sites (depending on the immediate context) and a new housing mix, type and tenure policy.

3.4.3 Once the consultation period closed, the planning policy team reviewed the comments and amended the policies where necessary.

Regulation 19 Pre-Submission Portsmouth Local Plan

3.4.4 A number of draft policies within the Regulation 19 Plan differ from those proposed in the Regulation 18 Plan. This is mainly in response to comments received during the Reg 18 consultation, NPPF and PPG updates, and findings from more recent evidence base. The key changes between both plans are summarised in the 'Key changes from Regulation 18 to

²³ <https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/portsmouth-local-plan-evidence/#duty>

Regulation 19 document.²⁴ 'For the purpose of the HDT AP, it is relevant to note the following:

1. **Strategic sites and allocations** - four strategic sites and thirteen site allocations have been allocated in the Regulation 19 Plan (policies PLP3-PLP14). Apart from PLP9: Horsea Island Open Space, all sites have a proportion of residential use allocated under their respective policy. Engagement with landowners, or agents on their behalf, has been undertaken to further ensure the deliverability and/or developability of these sites.
2. **Identified sites (appendices 2 and 3)** - through the HELAA, small/medium sites of less than one hectare with capacity for five or more dwellings have been identified, which amount to 1,543 dwellings. A further 457 dwellings are identified on sites of more than one hectare with capacity for five or more dwellings were identified. These sites have been included as a source of housing supply for draft Policy PLP16: Housing Target. By identifying small and medium-size sites in the Plan, it shows that PCC are actively trying to encourage housing delivery on a mix of sites, rather than focusing solely on site allocations.
3. **Policy PLP16: Housing Target** - Policy PLP16 sets a 'capacity-based' target of 13,603 net additional homes during the Local Plan period of 2020-2040. A number of different sources form the basis of the housing supply, summarised in Table 6.1 of the Regulation 19 Plan (page 124). Under Policy PLP16, strategic sites, site allocations, identified sites and HMOs have been included as sources of housing supply. These weren't previously identified in the corresponding policy of the Regulation 18 Plan (Policy H1: Housing Need and Supply). The inclusion of these new sources are based on robust analysis and ensure that all sources of potential housing supply are identified.
4. **Policy PLP21: Residential Density** - three types of residential density zones are proposed under Policy PLP21; low (>40dph), medium (>80dph) and high (>120dph). It is anticipated that these thresholds will help to make more efficient use of the land available for development within the City, and in turn enable greater housing delivery.

3.5 Development Viability and Delivery

Viability Assessment (2020)

- 3.5.1 The City Council produced a Local Plan Viability Study in support of its Regulation 18 Local Plan, in 2021. The viability study identified that development viability is a barrier to delivery as set out in Section 2 of this report. In response to this the Viability study has made the following recommendations:

That the Council revisits its housing policy and moves to the following total policy requirement.

- The Minimum Policy Requirements (Water efficiency standard and 20% accessible and adaptable, 5% wheelchair Adaptable)
 - 20% Affordable Housing on sites of 10 unit and larger.
 - Future Homes Standard Option 2.
- 3.5.2 On sites in the lower value area and schemes of six storeys and more the applicant would be able to submit a site-specific viability appraisal (in line with the requirements of national Planning Policy Guidance, paragraphs 8 and 9²⁵).
- 3.5.3 These recommendations are in the context of CIL continuing at the current rates and S106 payments, and assuming an environmental mitigation related costs of £5,000/unit.

²⁴ <https://www.portsmouth.gov.uk/wp-content/uploads/2024/06/Key-changes-from-Regulation-18-to-19.pdf>

²⁵ Planning Policy Guidance, Viability - <https://www.gov.uk/guidance/viability#viability-and-decision-taking>

3.5.4 The Assessment's recommendations reflect the tight development values in the City and are being taken forward by the emerging Local Plan in order to ensure that the policy requirements set do not restrict the ability to deliver residential development. The Council is however seeking to ensure at least 30% of new homes on sites of 10 units or larger are secured as either Affordable or First Homes, notwithstanding the viability constraints, but will seek to ensure individual development viability appraisals are carried out to ensure this policy aspiration does not restrict delivery.

3.5.5 The City Council tested the appropriate levels of developer contribution through its Regulation 18 Local Plan consultation having reference to the recommendations coming out of the Viability Study. The responses received during the consultation were reviewed and the policy amended as appropriate to achieve soundness.

Viability Assessment Update (2024)

3.5.6 The Council's Viability Assessment was updated in 2024²⁶ to support the progress of the Local Plan to Pre-Submission (Regulation 19) stage, and the changed policy and economic context following Brexit and the pandemic. It notes that while house prices have increased in the City at a broadly similar rate to build costs, additional costs resulting from nationally imposed standards are incorporated into base modelling. These include:

- Option 1 of the Future Homes Standard and the Accessible and Adaptable standards, both of which are likely to be introduced in the medium term are included.
- The modelling of flatted development now allows for second staircases, which increases the overall cost of a scheme, without increasing the saleable area.

3.5.6 In addition to these national requirements, the viability appraisal also now includes the costs of Bird Aware mitigation (between £600 and £900 per unit depending on housing size and mix) and nutrient neutrality mitigation at £2,500 per unit. The general S106 payment costs have been increased within the appraisal to account for these increased costs. 3.5.7 The 2024 Viability Assessment shows viability has tightened since the 2020 assessment and there is less capacity for developer contributions. This has specific implications for delivery of affordable housing, where a target of 30% of the total residential dwellings for major development (development of 10+ homes or a site area of 0.5ha or more) is set in draft Policy PLP17: Affordable Homes. However, the target of 30% responds to significant need for new affordable homes in the City and takes forward a Council priority. The Viability Assessment notes the Council's good track record, to date, in delivering affordable housing. The issue will be explored in further detail in the forthcoming Affordable Housing Topic Paper.

3.5.8 Despite this, the Viability Assessment (2024) highlights that the results of the residential appraisals undertaken do not, in themselves, determine the delivery of development, but are useful in refining Local Plan policies, including site allocations. The Council have taken steps to ensure that, as far as possible, viability does not hinder the development proposed in the draft Plan. As with the Regulation 18 stage, individual site level viability appraisal and work is being undertaken and Statements of Common Ground prepared and agreed as part of continuous engagement with the landowners and developers of proposed strategic sites and site allocations. A policy approach in draft Policy PLP17: Affordable Homes that includes site specific, open book viability assessment at the Development Management stage. This embeds a reasonable level of flexibility into the emerging Plan, to enable development to respond to changing viability.

²⁶ Development Viability Assessment (2024) - https://www.portsmouth.gov.uk/wp-content/uploads/2024/07/PCC-Development-Viability-Assessment-Update_2024.pdf

- 3.5.7 The Council is fully aware of the continuing challenge of viability to development in the City, and will continue to monitor the situation and keep viability under review, as recommended by the Viability Assessment (2024). It should be noted that the development proposed in the draft Local Plan, through the strategic and allocated sites and the housing target, are accompanied by a comprehensive monitoring and delivery framework, including delivery mechanisms, triggers and actions. This will help the Council keep track of delivery and take steps to address under-delivery if necessary.

Council Led Development

- 3.5.8 The City Council is one of the largest residential landowners in the City and also owns land in neighbouring boroughs including Havant and East Hampshire. This has allowed the Council to take an active role in delivery of housing within the City.
- 3.5.9 The Council is committed to addressing the City's housing shortage and within its Housing Directorate has implemented schemes to improve the delivery of both affordable and market housing within the City.
- 3.5.10 There are a number of Council estate areas within the City where Portsmouth City Council has significant land holdings, such as Somers Orchard which is a site allocation in the emerging Local Plan and was recently granted planning permission at Planning Committee (pending a legal agreement). The housing management teams in the Council are working to understand where Council owned land holdings can be used to bring forward development.
- 3.5.11 The Council's intention is to build the homes Portsmouth people need and can afford and to ensure that these homes are as energy efficient as possible. The Council is utilising teams capable of delivering homes and have in house expertise in architecture, landscape architecture, building surveying, mechanical and electrical (M&E) services, as well as energy services.
- 3.5.12 The City Council is currently looking at other forms of development rather than direct delivery which may help us to deliver homes more quickly. Opportunities include joint ventures with private developers and with the Council's own housing company, Ravelin Housing Ltd²⁷, which has recently been formed. An opportunity has arisen through One Public Estate grant funding for the City Council to investigate use of its own land for custom or self-build. The first schemes for this are in Havant, but once the expertise needed to deliver a scheme in this way is in place, these skills can be used in Portsmouth.
- 3.5.13 The City Council has set up Ravelin Housing Ltd (RHL), which is a wholly owned development company set up with the aim to deliver both affordable and private housing for sale and for rent. RHL is the commercial development arm of the Ravelin Group Limited, family of companies.
- 3.5.14 RHL has been brought forward by the City Council not to compete with but rather to complement the private sector developers in the City at a time where there is clear evidence that there is market failure. RHL will deliver projects aligned with the Council's corporate objectives, thereby supporting the City's economic growth and regeneration needs whilst specifically focusing on satisfying the demand for new housing of all tenures.

²⁷ Ravelin Housing - <https://www.portsmouth.gov.uk/services/development-and-planning/regeneration/improving-your-city/ravelin-housing/>

- 3.5.15 RHL's strategic goals aim to deliver multi-tenure housing for sale and rent with a target to deliver a thousand homes over ten years commencing with development delivery from 2021. There have been numerous sites identified for development and are currently in the initial stages of the planning process or at pre application stage.
- 3.5.16 In addition to the schemes being brought forward by Ravelin, the City Council has close involvement in a number of strategic sites most notably at Tipner and the City Centre. This has involved the Council being directly involved in land assembly and compulsory purchase to enable the delivery of the strategic sites.

Council's Interim Nutrient Neutral Mitigation Strategy

- 3.5.17 Section 2 of this report highlighted how guidance from Natural England and the Government impacted on the Development Management process and housing delivery in the three year period from 2019/20 to 2021/22. The Council adopted the first version of the '*Interim Nutrient Neutral Mitigation Strategy for new dwellings*' on the 29th November 2019. The updated, latest version of the strategy was published in June 2022. The Strategy provides a robust framework through which planning applications can achieve nutrient neutrality. Three mitigation options are outlined in the Strategy, including an option to purchase 'mitigation credit', secured in perpetuity through developer contributions. This strategy is important to help unlock more sites for development, and its requirements are factored into the Local Plan Viability Assessment (2024). The Strategy is envisioned to last three to four years to help to enable housebuilding to continue within the City whilst a longer term solution is worked on with PFSH and relevant stakeholders.
- 3.5.18 Hampshire and Isle of Wight Wildlife Trust (HIWWT), as well as other landowners within the catchment area, are offering such offsetting 'credits' for purchase. The Council has entered into an agreement with the HIWWT regarding the Nunwell Estate on the Isle of Wight, which includes a bulk purchase of offsetting 'credit' for mitigation purposes (750-1,500kg), as well as other requirements such as a Nitrates Management Plan, to help enable housing delivery within the City. There are also currently a number of other landowners within the East Hampshire catchment area offering nitrogen offsetting opportunities which can be secured to enable the grant of planning permission, where this can be agreed with the local planning authority and Natural England.
- 3.5.19 The Council is continuing to liaise with potential partners to find a more permanent solution to nitrates in the City, but nevertheless the adoption of the Interim Nutrient Neutral Mitigation Strategy has enabled development to resume, and the severity of its impact on the delivery of housing within the City has been minimised.
- 3.5.20 The Interim Strategy, which has utilised water efficiency updates to the Council's housing stock, is also coming to the end of its anticipated timescale (2021-2023/24). Updating the Strategy would continue to help enable planning permissions to be granted without the risk of legal challenge, helping housing to further continue in the City.

4 Monitoring the Council's Progress

4.1.1 With the publication of the Housing Delivery Test Results in January 2022, Portsmouth achieved less than the 75% of the housing required. As a result, PCC were required to prepare an action plan, include a 20% delivery buffer to its 5 year housing land supply and apply the presumption in favour for sustainable development. This section provides an update on the actions set out in the Housing Delivery Test Action Plan 2022 - 2023. It uses a RAG system to show the Council's progress. Please note that due to the delayed publication of the 2022 HDT results, a significant amount of progress has been made on the actions set out below.

4.1.2 Please note that the latest HDT Action Plan can be found at Appendix 1.

Table 12: Update and progress on the HDT Action Plan 2023-2024

	Green: The action has been completed		Amber: Work to address the action is underway		Red: The action has not yet been implemented
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Strategic Issue	Action	Update	Progress
Housing Land Supply	Prepare the new Local Plan and identify new housing allocations.	The Council has continued to make progress on the new Local Plan. The Regulation 19 Pre-Submission version of the Local Plan was published for public consultation from 9th July to 3rd September 2024. Submission is scheduled for autumn 2024 and adoption is expected in winter 2025/26. The emerging Local Plan includes both strategic sites, site allocations and sites identified by the HELAA (2023). The Planning Policy Team is working with both developers and other partners to ensure deliverability of sites, in particular regarding viability and availability to meet the Council's housing need. Statements of Common Ground are being prepared and agreed to increase certainty of delivery of strategic sites and allocations. New strategic sites in the emerging Local Plan, which were not present in the 2012 Portsmouth Plan, include St James' & Langstone Campus and Fratton Park & the Pompey Centre. New site allocations within the emerging Local Plan which allocate residential land use include St John's College, Fraser Range and The News Centre. Somers Orchard and Port Solent are also site allocations in the emerging Local Plan, but currently fall under PCS2 and PCS6 in the 2012 Portsmouth Local Plan. The emerging Local Plan includes housing sites identified from the 2023 HELAA in appendices 2 and 3. These include a large	

Portsmouth City Council Housing Delivery Test Action Plan 2023-2024

Strategic Issue	Action	Update	Progress
		number of small and medium sized sites, which make an important contribution to housing supply in the City.	
	Continue work on studies including the Housing and Economic Land Availability Assessment and evidence on market demand.	The 2023 HELAA has been prepared and was published in July 2024. It will be updated on a regular basis, as appropriate.	
	Regular Brownfield Register updates.	The Brownfield Register was updated in Dec 2023 and will continue to be updated annually as required. The 2023 Brownfield Register included 99 sites, up from 65 in both 2021 and 2022.	
	Updated South Hampshire Spatial Position Statement to be undertaken and agreed by PfSH and Local Authorities.	The latest PfSH Spatial Position Statement ²⁸ was approved by Joint Committee in December 2023.	
	Continue to update Statement of Common Ground documents with Neighbouring Authorities	In preparation for the Reg 19 consultation, Statement(s) of Common Ground have agreed between the Council and neighbouring local planning authorities, under Duty to Co-operate. This includes Winchester City, Havant, Gosport, East Hampshire and the Isle of Wight.	
Development Viability and Delivery	Whole Plan Viability Assessment	A viability assessment was completed for the Draft 'Regulation 18' version of the plan for the consultation held in September 2021 - November 2021. An updated viability assessment (2024) was prepared to reflect the latest policy and economic context and support the Pre-Submission (Regulation 19) Plan. The assessment is also amended to take account of the comments received during the Regulation 18 consultation.	
	Housing and Economic Land Availability Assessment including call for sites	A 'Call for Sites' was held in January 2022. The 2023 HELAA has been produced and was published in July 2024.	
	Consultation on the draft new Local Plan	The Council has continued to make progress on the new Local Plan. The Reg 19 Pre-Submission version of the Local Plan was published for consultation from 9 th July to 3 rd September 2024. Submission is scheduled for autumn 2023 and adoption is	

²⁸ <https://www.push.gov.uk/work/planning-and-infrastructure/push-position-statement/>

Portsmouth City Council Housing Delivery Test Action Plan 2023-2024

Strategic Issue	Action	Update	Progress
		expected in winter 2025/26. Delivery will be aided by engagement with developers and landowners, and agreement of Statements of Common Ground.	
	Continue to support Portsmouth City Council Housing and Council owned Ravelin Housing company to deliver new and affordable homes across the City.	The Planning Department continues to work closely with the Housing Department in identifying new housing sites and helping bring applications forward to meet the City's housing need.	
	Updated Interim Nutrient Neutral Mitigation Strategy with co-operation on any appropriate longer term strategic solutions with PfSH or other partners	The Strategy was approved at Cabinet in February 2022 ²⁹ and published in June 2022.	
Development Management	The use of PPA templates for major applications.	The Development Management Team have implemented the use of PPA templates for major applications and will continue their use when appropriate.	
	Wider use of s106 Unilateral Undertakings at the validation stage of applications to ensure that delays in application determination are minimised.	Wider use of s106 Unilateral Undertakings at the validation stage has been implemented and has had some impact in minimising the delays in determination.	
	Ensure team is fully resourced as required.	The Council continues to work on ways of ensuring that the Development Management Team is fully resourced with the Council looking at ways to improve staff retention and staff	

²⁹ PCC Cabinet report and decision from 6 February 2022 on the Updated Interim Nutrient Neutral Mitigation Strategy - <https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=126&MId=4749&Ver=4>

5. Conclusion and Next Steps

5.1.1 Portsmouth City Council has identified the following potential barriers for the 2019-22 period (as identified in section 2 of this report):

- **Housing land supply:** while positive engagement and consultation on the identification of development opportunities will continue through progression of the Local Plan, the constrained geography of the City and its limited supply of developable land, means that it is unlikely Portsmouth will not be able to meet the Government's full housing need for the plan period without some of that housing need being met from outside of the City, in co-operation with other neighbouring authorities.
- **Development viability and delivery:** Poor development viability in the City restricts growth and investment for housing development and limits opportunities for sites to come forward. The Council will seek to set deliverable policies for the new Local Plan informed by the development of the evidence base and through consultation on the draft Plan. PCC will assist development delivery through the implementation of its own schemes and continuing to enable a strategic framework and solutions to the nutrient neutral mitigation requirements for new homes.
- **Development management:** although development management procedures were not found to be barrier to the delivery of new homes during the monitored period, the Council is striving to continue to make improvements to its planning applications service for to ensure quality outcomes for all.
- **Nutrient neutrality:** The issues surrounding nitrate neutrality resulted in a number of planning applications being put on hold. It is likely that this acted as a barrier to delivery for the period in question.

5.1.2 The updated Action Plan for addressing the above can be found in Appendix 1 of this report.

5.1.3 The Council is both cognisant of these delivery issues and is working constructively, in partnership with third parties, to resolve them with the aim of improving housing delivery. Where necessary actions will be updated, or new actions added in response to currently unforeseen issues or barriers to development, or as a result of changes in government policy, legislation or planning practice guidance. Close working relationships with infrastructure providers, developers and other key stakeholders will be key to ensuring a step change in increasing housing supply locally.

5.1.4 The key step going forward is to progress the Local Plan to adoption. This will set an achievable housing target for the City which seeks to meet as much need as possible within the City's constrained island geography.

Next Steps

5.1.5 The Action Plan in Appendix 1 sets out a range of short and medium term actions which aim to increase the delivery of new homes in the City. It also identifies responsibilities for delivery of the actions, where appropriate. As noted, the delayed publication of the 2022 HDT results means that real progress has already been made on a number of the actions. Monitoring of the actions will be undertaken annually following receipt of the annual HDT measurement (anticipated in January or February of each year), and the annual review of the Action Plan will draw on information from a range of sources including the annual housing completions surveys (which provides figures for the number of new homes completed each year) and other relevant documents.

Appendix 1: Portsmouth Housing Delivery Test Action Plan 2023-2024

Cause	Evidence	Action	Responsible	Status
Strategic Issue: Housing Land Supply				
Housing Land Supply	Insufficient land available and suitable to meet current and future requirements based on the Government standard housing methodology, due to the City's constrained island geography.	Continue to progress the emerging Local Plan, which has identified new sources of housing supply and was consulted on in summer 2024. This includes strategic sites, site allocations and sites identified from the Housing and Economic Land Availability Assessment (HELAA 2023). Update the HELAA on a regular basis. Update the Brownfield Land Register by 31 December on an annual basis.	City Development - Planning Policy	Ongoing
Progress with Duty to Co-operate and sub-regional Strategic Planning	Need for an updated sub-regional strategic (South Hampshire Spatial Position Statement) to deal effectively with housing distribution and unmet housing need.	Update the South Hampshire Spatial Position Statement to be undertaken and agreed by PFSH and Local Authorities. Continue to work collaboratively and update bilateral Statements of Common Ground /documents with neighbouring local authorities.	Partnership for South Hampshire South Hampshire Local Authorities	Ongoing
Strategic Issue: Development Viability and Delivery				
Bringing sites forward.	Low levels of delivery of strategic sites identified in the Portsmouth Plan (2012) and on other sites across the City	Whole Plan Development Viability Assessment Update completed in May 2024 as evidence to the emerging Local Plan. Ongoing work with landowners and developers to prepare and agree Statement of Common Grounds on all strategic sites and sites allocations in the Local Plan to provide up to date evidence on viability and feasibility of individual sites. Continuing pre-application discussions and Planning Performance Agreements on major development. to help speed up determination times, as well as increase the quality of development. Continue to support Portsmouth City Council Housing and Council owned Ravelin Housing company to deliver new and affordable homes across the City.	City Development - Planning Policy	Ongoing

Cause	Evidence	Action	Responsible	Status
Identifying deliverable and developable sites ³⁰	Inadequate number and range of sites available and suitable for housing development	Continued work to progress the Local Plan, which identifies sites for housing development, both to be deliverable within five years, and developable over the Plan period. Update HELAA on a regular basis, including Call for Sites.		
Strategic Issue: Development Management				
Continuous improvements to avoid potential delays to the granting of planning permission	While real improvements have already been made there is a need to ensure planning applications are determined with agreed timescales and provide an effective, efficient service.	The use of PPA templates for major applications. Wider use of s106 Unilateral Undertakings at the validation stage of applications to ensure that delays in application determination are minimised. Ensure team is fully resourced as required.	City Development - Development Management	Ongoing
Strategic Issue: Nutrient Neutrality				
Nitrates pollution in the Solent	Effective suspension of housing consents without Natural England approved mitigation in place.	Following the update of the Interim Nutrient Neutral Mitigation Strategy, adopted in 2022, continued engagement and co-operation on appropriate longer term strategic solutions with PfSH and other partners.	PCC City Development - Planning Policy and other South Hampshire LPAs	Ongoing

³⁰ Deliverable and developable sites are defined in the National Planning Policy Framework - https://assets.publishing.service.gov.uk/media/669a25e9a3c2a28abb50d2b4/NPPF_December_2023.pdf

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