

REPORT TITLE: APPROVAL OF STATEMENT OF COMMON GROUND –
BETWEEN EASTLEIGH BOROUGH COUNCIL AND WINCHESTER CITY
COUNCIL IN RELATION TO EASTLEIGH LOCAL PLAN

17 JULY 2019

REPORT OF CABINET MEMBER: BUILT ENVIRONMENT & WELLBEING

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WARD(S): THOSE WARDS ALONG THE BOUNDARY WITH EASTLEIGH
BOROUGH COUNCIL

PURPOSE

This report seeks authorisation to submit the Statement of Common Ground at Appendix [1] which sets out outstanding matters between Winchester City Council and Eastleigh Borough Council in respect of the Eastleigh Borough Council local plan with particular reference to the proposed strategic growth area to the north of Bishopstoke/Fair Oak, south of Colden Common.

The purpose of the Statement is to assist the Planning Inspector to identify the matters for determination at the Local Plan Examination.

RECOMMENDATIONS:

1. To agree and authorise the Strategic Planning Manager to sign and submit the Statement of Common Ground set out at Appendix 1 to the Planning Inspector holding the examination of Eastleigh Local Plan.
2. That authority be granted to the Strategic Planning Manager, in consultation with the Cabinet Member for the Built Environment and Wellbeing, to make any minor edits to clarify the Statement of Common Ground as attached, prior to submission to the Inspector.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Whilst the Statement of Common Ground has no direct bearing on the Council Strategy, the principles of securing well planned new development supported by the necessary infrastructure does, given that Eastleigh Borough Council has a significant common boundary with the Winchester District. Government advice is now clear that under the Duty to Co-operate, unmet needs of neighbouring authorities must be considered by others.
- 1.2 A Statement of Common Ground is an agreement that determines the basis for points to be discussed and determined in front of and by the Inspector.
- 1.3 Furthermore a district without an up to date adopted Local Plan is vulnerable to ad hoc development outcomes which could have a more than local impact. It is therefore in the interest of the communities within our district for Eastleigh to have a 'sound' local plan that can proceed to adoption to provide certainty over the future form of development.

2 FINANCIAL IMPLICATIONS

- 2.1 Preparation of the statement and ongoing discussions with Eastleigh have been resourced through the Strategic Planning team budget.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A Statement of Common Ground is a written record of the progress to agree or disagree, strategic cross boundary issues during the process of planning for strategic cross boundary issues. Paragraphs 20 – 23 of the National Planning Policy Framework sets out the matters that strategic polices should make provision for which include relevant cross-boundary issues on housing, community facilities, infrastructure and conservation. These issues are addressed by officers in the attached Statement of Common Ground.
- 3.2 The purpose of the Statement of Common Ground is to assist the Planning Inspector holding the examination of the Eastleigh Local Plan by identifying points of agreement between the local authorities, and consequently those points which the Council will not contend at a hearing. The statement therefore forms a basis of identification of those matters for discussion by the parties and the Inspector and deliberation at the examination reflecting the Duty to co-operate established in paragraph 24 of the National Planning Policy Framework. Section 33A of the Planning and Compulsory Purchase Act 2004 sets out that to maximise effective on strategic matters throughout the preparation of Local Plans authorities have a duty "... to engage constructively, actively and on an on-going basis."
- 3.3 Officers correctly identify in this report and the Statement of Common Ground in the Appendix to this Cabinet Report the necessary strategic issues relevant

to the local plan and of interest to the PINS Inspector and fulfil the Duty to Co-operate as is relevant to the Statement of Common Ground.

4 WORKFORCE IMPLICATIONS

- 4.1 The Strategic Planning Team has provided input and liaison with Eastleigh in relation to the preparation of its local plan, utilising specialists when required.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 The Statement of Common Ground appended has been amended in light of discussions with Winchester officers and reflects the current situation. Statements of common ground are not subject to community consultation, they are simply an agreed statement between the named signatories.
- 6.2 It should be noted that the attached version has yet to be formally agreed with Eastleigh, this represents the latest following a number of exchanges between officers, it may still be necessary for further edits to be incorporated, hence the requirement to give delegated authority to the Strategic Planning Manager for minor edits.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The impact of the proposed development in Eastleigh on Winchester has been explored through various elements of the evidence base to inform Eastleigh's Local Plan, which is published on its website. The Statement only reflects those elements where Winchester has raised issues through its representations at Pre-Submission stage. It is important to stress that it is for the local planning authority proposing the plan to demonstrate that it meets all the statutory tests.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None

10 RISK MANAGEMENT

- 10.1 The significant risk is that the Eastleigh Local Plan is not found to be sound and that as a consequence pressure is created on Winchester and other neighbouring authorities to assess and plan for the resulting unmet housing

need. Winchester's key concern is on the delivery of a large area of development to the north of Bishopstoke/Fair Oak, and clarification has therefore been sought on matters of viability, transport and environmental issues.

Risk	Mitigation	Opportunities
<i>Property</i>	n/a	n/a
<i>Community Support</i>	To reduce risks to the communities of the District, by ensuring that the Eastleigh Local Plan is found sound and can proceed to adoption	To work with Eastleigh and the necessary agencies to ensure that the objections can be resolved.
<i>Timescales</i>	n/a	n/a
<i>Project capacity</i>	n/a	n/a
<i>Financial / VfM</i>		
<i>Legal</i>		
<i>Innovation</i>		
<i>Reputation</i>	The Council's position in relation to Eastleigh Local Plan is to ensure that the development allocated can be delivered in a timely manner and the impact on the communities in the Winchester District minimised.	For the Council to participate at the Local Plan examination if required to ensure that the Planning Inspector is aware of the matters of concern to the Council.
<i>Other</i>		

11 SUPPORTING INFORMATION:

11.1 In February 2016 the City Council first commented on the emerging Eastleigh Local Plan, raising issues in relation to the evidence base for the Local Plan and the need for community engagement. The draft plan was published for consultation in December 2016, included options for substantial housing growth to the north of Eastleigh District which necessitated a link road proposal in the Winchester district to the south of Colden Common, the City Council's response stated :-

- a) *WCC could not support option A to distribute housing around the Borough as this would not deliver the social and physical infrastructure required to make the proposed level of growth acceptable*

- b) *WCC express strong concerns regarding option B which is dependant on a new road and urge that no significant housing allocations are made in this area until there is certainty that a road is deliverable and financially viable. WCC requested that if this option is to be progressed further work is undertaken in relation to landscape sensitivity.*
 - c) *Road options to support option B - WCC could not support option 2 due to impact on the Itchen flood plain, nor option 3 as it would be least effective in diverting north bound traffic from B3354 and connection to the proposed development would require a further primary route at additional expense. Option 1 would require modelling to identify areas of mitigation WCC request to see fully costed phasing and implementation plan for whole length of the new road before any sites are allocated to ensure that the road would be completed and aligned with the phasing of allocated sites*
 - d) *WCC request clarification as to how EBC and HCC would see any road proposals being delivered in WCC area*
 - e) *WCC request of EBC that there is on-going and meaningful dialogue under duty to co-operate and a process of community engagement before any sites are allocated or policies drafted which would directly impact Winchester District.*
- 11.2 During 2017, meetings were held between officers of Eastleigh and Winchester to discuss technical details of the proposed Strategic Growth Option, which comprises over 5000 new homes, employment land, a district centre, secondary and primary schools, open space and a new link road between Allbrook Hill, Bishopstoke and Fair Oak, the route of which includes land in Winchester District to the south of Colden Common.
- 11.3 Discussions have focussed on ensuring that the evidence base is comprehensive and that the policy expression reflects the mitigation required and that the development is viable and can be delivered with full funding for those mitigation measures.
- 11.4 During 2018, Eastleigh published its pre-submission version of the local plan under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. This version of the Local Plan is the one that the local planning authority considers 'sound' and robust enough to be submitted for examination.
- 11.5 Winchester considered the evidence produced at the time and in the light of the information and evidence available the Council's position its recommended position was set out in PHD 821 and can be summarised as :-

- a) *The Council should generally welcome the publication of a draft Local Plan by a neighbouring authority because it creates certainty and context for its own decision making. However, as it is presented the Eastleigh document and evidence base may not meet the statutory test of soundness, especially in respect of the funding and timely provision of infrastructure to support the SGO. Since this Council has no interest in a neighbour failing to achieve a sound Plan after examination, it is suggested that Eastleigh be informed that the Council does not consider the Plan to be sound given the evidence currently provided to support the SGO policy.*
- b) *Eastleigh should therefore be requested to continue to engage with this Council and other stakeholders to ensure that reliable evidence is provided to demonstrate not only that their policy approach is sound but also that the proposed infrastructure and highways works will be delivered so as to safeguard the interests of all existing residents, including those living in Winchester District.*

11.6 Winchester therefore, submitted the following formal objection :

“That Eastleigh Borough Council be informed that this Council:

Welcomes the publication of the Eastleigh Local Plan, but makes a formal objection to the Plan on the basis that it fails the Test of Soundness for the following reasons:

1. The current evidence base does not demonstrate that it is an Effective strategy because the proposed Strategic Growth Option may not be viable or deliverable as proposed.
2. The proposed link road on which the Strategic Growth Area is predicated has not yet been shown to be technically feasible or fit for purpose.
3. The Duty to Cooperate in relation to the preparation and sharing of the evidence base has not yet been fulfilled.”

11.7 Since August 2018, Eastleigh has continued with expanding the evidence base and considered that its plan was sound and consequently submitted it for examination on 31 October 2018. An initial inspector was appointed but due to work commitments on other examinations, was replaced this year by Ms Christa Masters.

11.8 Her task is to consider whether the plan has been prepared in accordance with the relevant legal requirements, duty to co-operate and if the plan is sound, based on the criteria set out in of the National Planning Policy Framework, which states that Local Plans should be:

11.9

- a) **Positively prepared:** it should be based on a strategy that looks at meeting objectively assessed development and infrastructure requirements. This includes; where reasonable to do so; those unmet

by our neighbours. It should also be consistent with achieving sustainable development

- b) **Justified:** it should be the most appropriate strategy, when considered against reasonable alternatives, based on proportionate evidence
 - c) **Effective:** it should be deliverable and based on effective joint working with partners and neighbours; and
 - d) **Consistent with national policy:** it should enable the delivery of sustainable development set out by national policy.
- 11.10 Initial correspondence between Eastleigh and the Inspector can be viewed on the [examination pages](#) of Eastleigh's website – of note, is a letter from the Inspector dated 2 April 2019 (Ref ED05), which includes *“It would appear that a significant amount of the evidence you are preparing will not be available until mid/end June. Once this evidence is available, I will be in a position to proceed with the examination and the preparation and programming of the Matters and Issues”*.
- 11.11 That evidence includes detailed reports on transport, viability, air quality etc further updates have been provided (ED7-9a) which Eastleigh has now published.
- 11.12 The Inspector has asked for the submission of a Statement of Common Ground between Eastleigh and Winchester to summarise the respective positions of the two authorities after the further discussion and engagement. The City Council is required under the NPPF to be party to a Statement of Common Ground and it has no option to decline to do so.
- 11.13 National Planning Guidance defines the purpose of a Statement of Common Ground as setting out areas of agreement and identifying outstanding matters which the Inspector may consider need further exploration at the Examination.
- 11.14 Officers have assessed the revised evidence and remain concerned that the assumptions in relation to the costing and delivery of the strategic growth proposal are not realistic and achievable. Indeed Eastleigh considered at its Cabinet on 20 June proposals to provide financial support for this and other housing developments in the Borough.
- 11.15 The Statement of Common Ground attached as Appendix 1 sets out the Council's ongoing concerns in relation to viability and delivery, the key points are summarised below:
- 11.16 *Objection 1 : The current evidence base does not demonstrate that it is an Effective strategy because the proposed Strategic Growth Option may not be viable or deliverable as proposed.* Having reviewed all the updated viability

evidence the City Council maintains its concern that under some scenarios the strategic growth option would not be viable and therefore not deliverable as proposed. Government guidance on viability and plan making is clear in that plans should set out the contributions expected from development to include the levels and types of housing provision (incl affordable housing) and other infrastructure such as education, health, transport, flood and water management, green and digital infrastructure, with the policy requirements being informed by evidence of infrastructure required and that this is reflected in the price paid for the land. The guidance continues that viability assessments should not compromise sustainable development but that the total cumulative costs of all relevant policies does not undermine the deliverability of the plan. The guidance also reiterates that it is the responsibility of the site promoters to take into account any costs including their own profit expectations and risks and to ensure that the development is policy compliant. With all of these factors built in under some of the scenarios produced by Eastleigh the development would not be viable. To ensure viability in one of these scenarios, an injection of public funding would be required and although this is possible, it represents another risk factor which ought to be of concern. In response to this concern, the City Council suggests that at very least the policy on the delivery of the link road should be strengthened to ensure that funding for the whole of the road is secure before there is any substantial development.

- 11.17 *Objection 2 : The proposed link road on which the Strategic Growth Area is predicated has not yet been shown to be technically feasible or fit for purpose.* A substantial amount of technical data has been prepared and published providing detail of the route incorporating planned environmental and landscape mitigation. As yet the County Council, as highway authority, has not confirmed that the proposed design or route is technically satisfactory, and therefore the consequent impacts and costs cannot be fully assessed. Eastleigh believes that sufficient contingency exists with the viability assessment to provide for any reasonable requirements but until this is confirmed the objection should remain.
- 11.18 Whilst acknowledging the evidence base is comprehensive the Council still has concerns as to the potential impact of the road and to its delivery in relation to the phasing of development. A further element is that more detail will be forthcoming as the planning policy allocating the site also refers to the preparation of a master plan and supplementary planning document and indeed any planning application will be required to be supported by a full project level transport assessment. Given that Winchester will be the planning authority for determining the planning application for the road in the Winchester District there will be an opportunity to reassess all the necessary data and include planning conditions as required. It will be necessary for Winchester's emerging Local Plan 2036 to safeguard the route and include a

policy allocating land for the purpose of a link road, this provides a further opportunity to incorporate detail in policy expression particularly as this part of the link road will cross open countryside and areas protected for their environmental sensitivities.

- 11.19 Eastleigh Borough Council has already written to the Council requesting inclusion of an appropriate safeguarding policy which was agreed by its Cabinet on 4 April – the summary of the Report states:-

Winchester City Council has commenced a review of their Local Plan. They are undertaking a 'call for sites' and they will continue to discuss 'issues and options' with interested parties through 2019. It is recommended that Eastleigh Borough Council makes the following key strategic comments on the emerging Winchester Local Plan at this stage:

1. To welcome the commencement of the Winchester Local Plan review to 2036.
2. To request that the emerging Winchester Local Plan:
 - a) Plans positively for housing needs, taking account of unmet needs in the wider area, in accordance with the National Planning Policy Framework (NPPF);
 - b) Notes that the submission Eastleigh Local Plan (2016 – 2036) makes a significant contribution to meeting housing needs, and requests that the emerging Winchester Local Plan also seeks positively to help to meet unmet needs in the wider area;
 - c) Includes a policy to safeguard the route and identify the requirements for the north of Bishopstoke link road as it passes through Winchester's district, to facilitate major housing and employment growth in Eastleigh's 'Strategic Growth Option' which will reduce pressure for development elsewhere, and minimise additional traffic congestion for communities in Eastleigh and Winchester; and
 - d) Continues to safeguard, and to actively support the delivery of the Botley by-pass

- 11.20 *Objection 3: The Duty to Cooperate in relation to the preparation and sharing of the evidence base has not yet been fulfilled.* Planning guidance sets out that a statement of common ground is the means by which strategic policy making authorities can demonstrate that a plan is based on effective cooperation and that they have sought to produce a strategy based on agreements with other authorities. At a local plan examination the Inspector will first assess whether a local planning authority has complied with the duty to cooperate and other legal requirements, and will also use all available evidence including statements of common ground. Winchester has been party to many discussions in relation to Eastleigh's Local Plan and the evidence base has been shared, accordingly it is considered that this part of the Council's objection has been met.

Conclusion

11.21 In order to ensure that these matters are put before the Inspector for her to consider at the local plan examination, it is considered appropriate to maintain our objections in relation to points 1 and 2. By virtue of the dialogue which has been undertaken it is considered that the objection in relation to the duty to cooperate should now be withdrawn.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 This report seeks authorisation to agree the statement of common ground with Eastleigh Borough Council in relation to the Council's position with regard to their Local Plan. The statement reflects the complexity of the revised evidence base and where the Council has either acknowledged that this is sufficient or where there remain concerns as to the accuracy of the assumptions and consequential impacts. It is anticipated given the above matters that remain in dispute, the Council will be required to attend the Local Plan examination in due course to present its position. There is no option for the Council not to complete a Statement of Common Ground since this is a requirement of the NPPF. It is possible of course for the Council to make different points or to set them out in a different way from those proposed but the document presented as Appendix 1 is suggested as a reasonable and evidence based statement of the Council's position.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

PHD 821 Eastleigh Borough Local Plan 2016 - 2036

APPENDICES:

Appendix 1 Statement of Common Ground between Eastleigh Borough Council and Winchester City Council

Appendix 1 :-**STATEMENT OF COMMON GROUND between Eastleigh Borough Council and Winchester City Council****A. Introduction**

1. This Statement of Common Ground (SoCG) is an agreed statement between Winchester City Council (WCC) and Eastleigh Borough Council (EBC). It sets out the position and understanding with respect to key relevant Duty to Cooperate and soundness matters and agreed actions to resolve outstanding matters. It is not binding on either party, but sets out a clear positive direction to inform ongoing strategy and plan making.

B. Background and Regulation 18 Representation from WCC

2. During February 2016 WCC first commented on the emerging Eastleigh Local Plan (ELP) raising issues in relation to the evidence base and the need for community engagement. These comments were made at the issues and options (Regulation 18) stage published in December 2015 and included options for substantial housing growth adjacent to Winchester District and associated road proposals within Winchester District. WCC's response at that time raised issues of concern with regard to the proposed road, its routing and its delivery. WCC's Regulation 18 response is set out at Appendix A.

C. Regulation 19 Representation from WCC

3. EBC held a 6 week consultation under Regulation 19 closing on 6 August 2018.
4. WCC submitted a response based on the evidence available at that time that acknowledged that WCC welcomed publication of the ELP to provide certainty and clarity for both EBC and WCC communities.
5. WCC wishes to put on record that it did not raise objections to the principle of development taking place nor did it make objections with a view to 'preventing' Eastleigh from producing a sound Plan. It is in the interests of all communities in the area that any development which takes place is properly planned and mitigated and that can only be within the scope of an adopted Local Plan.
6. However, WCC commented that it did not feel that the ELP met the tests of soundness, particularly in respect of the funding and timely provision of

infrastructure to support the Strategic Growth Option (SGO), and accordingly the following formal representation was submitted by WCC:-

“That Eastleigh Borough Council be informed that this Council:

Welcomes the publication of the Eastleigh Local Plan, but makes a formal objection to the Plan on the basis that it fails the Test of Soundness for the following reasons:

- 4. The current evidence base does not demonstrate that it is an Effective strategy because the proposed Strategic Growth Option may not be viable or deliverable as proposed.*
- 5. The proposed link road on which the Strategic Growth Area is predicated has not yet been shown to be technically feasible or fit for purpose.*
- 6. The Duty to Cooperate in relation to the preparation and sharing of the evidence base has not yet been fulfilled.”*

D. The Current Position re. Issue (3) above (Duty to Cooperate)

7. This SoCG confirms that WCC withdraw their objection under (3) above and their satisfaction that the Duty to Cooperate has been complied with.
8. The background to this part of WCC’s objection was its concern that the sharing of evidence and involvement with WCC at Regulation 18 stage and prior to the Reg 19 submission fell short of WCC’s expectations for consultation. WCC were concerned that the level of community engagement at the early stages of plan making could have been more inclusive of WCC communities, particularly in relation to the SGO and the road proposal in Winchester District.
9. Whilst it is not possible for engagement to take place retrospectively, in the light of the discussions involving EBC, WCC, various statutory agencies and the promoting developer, and in the light also of subsequent sharing of the evidence base, WCC acknowledges that the Duty to Cooperate has been complied with and consequently this part of WCC objection has been withdrawn.
10. EBC welcomes WCC’s recognition that the Duty to Cooperate has been met.

E. The Current Position re. Issue (1) above (Viability / Deliverability of SGO)

11. EBC and WCC agree that the analysis (provided by EBC’s consultants) shows that if the link road is delivered it will enable significant development to

meet the need for new homes whilst minimising additional traffic congestion. It is recognised that the transport assessment predicts that the net effect of the link road and development on the highway network within Winchester closest to the SGO (Colden Common / Owslebury / Otterbourne / Twyford) is to slightly reduce delays. This is summarised in the Strategic Growth Option Background Paper 1 Table 27 (SGO001, page 66).

12. WCC have, however, remaining concerns regarding Issue (1) and this SoCG sets out, in Appendix B, the summary position of WCC and EBC on the same, in order to assist the Inspector.

F. The Current Position re. Issue (2) above (Feasibility / Fitness for Purpose of Proposed Link Road)

13. It is both EBC's and WCC's position that no substantial amounts of development should occur without the road, because the road is essential to mitigate impacts on local communities in Eastleigh Borough and Winchester District. EBC points to submitted Local Plan Policy S5 criterion 9 as establishing the appropriate controls in this regard. This states:

“Development will support and not prejudice the delivery of the full link road as set out in policy S6. All phases of development will make a proportionate financial contribution to the link road. No development will be permitted until the link road (or at least phases 1-3 as defined by policy S6) has full planning permission; all the land is in the control of the developers; and there is at least a strong likelihood that the full road will be funded. Phases of development will not be occupied until phases of the link road are completed, as determined by the infrastructure delivery phasing plan.”

14. WCC acknowledges the requirements of Policy S5 and criterion 9, but requests the following modifications to ensure that there is funding committed for the road:-

“Development will support and not prejudice the delivery of the full link road as set out in policy S6. All phases of development will make a proportionate financial contribution to the link road.

No development will be permitted until the link road:-

- ~~{or at least phases 1-3 as defined by policy S6}~~ has full planning permission;*
- all the land is in the control of the developers or the highway authority;*
- and there is ~~at least a strong likelihood~~ substantial evidence that the full road will be funded*

Before the construction of the link road commences funding commitments must be in place which will ensure that the road is delivered in its entirety.

Phases of development will not be occupied until phases of the link road are completed, as determined by the infrastructure delivery phasing plan.”

15. EBC agree in general terms to the amendments from the 3rd bullet point onwards (reference to “substantial evidence” and the sentence “before the construction of the link road commences funding commitments must be in place which will ensure that the road is delivered in its entirety”. EBC reserve the right to comment on the detail of this wording further as necessary.
16. With respect to WCC’s other proposed modifications to policy S5 criterion 9, EBC will consider these points further.
17. The SGO requires part of the road serving the site to pass through Winchester District to the south of Colden Common, and to then link with the M3. ELP includes policy S6, which sets out the requirements and phasing of the road.
18. Insofar as part of the road will pass through Winchester District, EBC commented on the emerging Winchester Local Plan 2036, (Cabinet 4 April 2019) as follows:-

“Winchester City Council has commenced a review of their Local Plan. They are undertaking a ‘call for sites’ and they will continue to discuss ‘issues and options’ with interested parties through 2019. It is recommended that Eastleigh Borough Council makes the following key strategic comments on the emerging Winchester Local Plan at this stage:

1. *To welcome the commencement of the Winchester Local Plan review to 2036.*
2. *To request that the emerging Winchester Local Plan:*
 - a) *Plans positively for housing needs, taking account of unmet needs in the wider area, in accordance with the National Planning Policy Framework (NPPF);*
 - b) *Notes that the submission Eastleigh Local Plan (2016 – 2036) makes a significant contribution to meeting housing needs, and requests that the emerging Winchester Local Plan also seeks positively to help to meet unmet needs in the wider area;*
 - c) *Includes a policy to safeguard the route and identify the requirements for the north of Bishopstoke link road as it passes through Winchester’s district, to facilitate major housing and employment growth in Eastleigh’s ‘Strategic Growth Option’ which will reduce pressure for development elsewhere, and minimise additional traffic congestion for communities in Eastleigh and Winchester; and*

d) Continues to safeguard, and to actively support the delivery of the Botley by-pass.”

19. WCC has, accordingly, made it clear that it has no objection to including a safeguarding policy for the route of the proposed link road within the Winchester District, in its emerging Local Plan, pending the ELP being found sound and proceeding to adoption. EBC welcome this commitment. EBC and WCC agree that the road would be implemented with the necessary mitigation measures to address flood risk and meet the Habitats Regulations.

20. WCC have, however, remaining concerns regarding Issue (2) and this SoCG sets out, in Appendix C, the summary position of WCC and EBC on the same, in order to assist the Inspector.

G. Conclusion

21. This SoCG:

- Confirms the agreement of WCC and EBC that the Duty to Cooperate has been complied with (section D); and
- Sets out the key differences between WCC and EBC on issues concerning the viability/deliverability of the SGO (Section E and Appendix B) and the feasibility/fitness for purpose of the link road (Section F and Appendix C).

22. WCC reiterates its view that it wishes EBC to have a sound local plan to provide certainty for local communities.

Signed on behalf of Eastleigh Borough Council	Signed on behalf of Winchester City Council
Date:	Date:
Position :	Position :

Appendix A**WCC Response to EBC at Regulation 18:-**

- a) *WCC could not support option A to distribute housing around the Borough as this would not deliver the social and physical infrastructure required to make the proposed level of growth acceptable*
- b) *WCC express strong concerns regarding option B which is dependent on a new road and urge that no significant housing allocations are made in this area until there is certainty that a road is deliverable and financially viable. WCC requested that if this option is to be progressed further work is undertaken in relation to landscape sensitivity.*
- c) *Road options to support option B - WCC could not support option 2 due to impact on the Itchen flood plain, nor option 3 as it would be least effective in diverting north bound traffic from B3354 and connection to the proposed development would require a further primary route at additional expense. Option 1 would require modelling to identify areas of mitigation WCC request to see fully costed phasing and implementation plan for whole length of the new road before any sites are allocated to ensure that the road would be completed and aligned with the phasing of allocated sites*
- d) *WCC request clarification as to how EBC and HCC would see any road proposals being delivered in WCC area*
- e) *WCC request of EBC that there is on-going and meaningful dialogue under duty to co-operate and a process of community engagement before any sites are allocated or policies drafted which would directly impact Winchester District.*

Appendix B

Summary of WCC Concern re Issue (1) (Viability / Deliverability of SGO)

1. WCC remains concerned that the evidence provided by EBC demonstrates that, assuming the financial analysis proves completely accurate, there are reasonable scenarios in which the SGO might not be deliverable because it is not commercially attractive. If external public funding or forward funding is provided this could improve the viability picture but, given the long lead in time, such funding cannot be guaranteed. WCC is also concerned that on some scenarios the financial appraisal is finely balanced and if the costs of developing the SGO have not been correctly appraised, there is a reasonable prospect that the SGO would not be viable and deliverable.
2. Whilst WCC recognise that there have been various discussions on these issues and that EBC have some control measures, including the application of external funding, this part of WCC's objection is maintained, noting that the impact on communities in the WCC area would be severe if the SGO were to be permitted to go ahead without confidence that every aspect of mitigation and infrastructure provision will be provided.
3. WCC raise the following specific issues and / or questions in these regards:
 - a. How realistic are the assumptions used in the viability appraisals, (developer profit; land costs; availability of grants etc.) given that this is a significant development that will take many years to build out and indeed receive the necessary consents to commence the development, particularly given the commitment in Policy S5 for the production of a supplementary planning document and master plan, where more details are likely to be revealed and identify potential for additional costs?
 - b. If an outline consent is to be sought for the whole site (which WCC supports), how will the S106 costs be calculated given the unknowns, is there evidence that a S106 will be forthcoming given the number of land interests involved?
 - c. WCC request the promoting developers to confirm that, in their judgement, the assumptions supporting the viability evidence are realistic.
 - d. Costs of the link road seem to be based on 2016 data from Hampshire County Council, which estimated the costs of constructing only part of the road. Both Environment Agency and Natural England have

highlighted the need for substantial mitigation given the environmental sensitivities of the locality - have these costs been accounted for and do these include elements for on-going maintenance and adoption processes?

- e. Are these requirements likely to change over the plan period and what if, once WCC has undertaken its own HRA to support its local plan or when a planning application is submitted to WCC, more environmental mitigation is deemed necessary?
- f. WCC has always questioned the use of data from the Harman Report (2012) as a basis for calculating costs per dwelling for elements of strategic infrastructure. It is not clear in the report what items of strategic infrastructure the assessment includes and what items should be calculated separately. In any event, there should be a clear distinction between normal developer costs for providing serviced plots and those items of infrastructure that are policy requirements of the local plan.
- g. How would the developers manage cash flows particularly if there were no grants or forward funding available; and given that the development is unlikely to commence for a number of years what certainty is there that future grants/funding would still be available?

Summary of EBC Response re Issue (1) (Viability / Deliverability of SGO)

1. EBC welcome WCC's recognition that there have been various discussions on these issues and consider these to have been extensive, and to have informed EBC's latest (June 2019) viability study. Further, EBC consider that the key points above are answered by its evidence base. EBC therefore provide only a summary response below. (EBC will, of course, be happy to provide answers to any questions the Inspector may have).
2. The assumptions in EBC's SGO viability assessment are considered to be robust and are justified fully in the relevant evidence document. EBC do not rely on one scenario but tested a range of scenarios to provide a robust assessment of viability.
3. Policy S5 sets out a detailed range of infrastructure and policy requirements to inform subsequent master plans. EBC has sought to capture all the key infrastructure costs in its viability appraisal and does not consider the subsequent master planning work will add significantly to infrastructure costs. Policy requirements must be set out in the Local Plan and cannot be delegated to a master plan.

EBC's proposed modifications require one outline planning application to be submitted for the whole site. This will ensure that the section 106 agreement will apply to the whole site. Local Plan Policy S5 requires there to be full planning permission for the link road prior to any permission for the SGO and therefore the link road costs will have become more certain.

4. The link road feasibility report (SGO008) includes a factor for inflation since 2016. EBC have included a specific cost for the whole of the link road outside of the SGO policy area, and considers that the cost of the road within the SGO policy area is reflected in the 'site works and infrastructure' allowance (equivalent to the 'Harman' allowance). The habitat regulations assessment provides a comprehensive assessment of the environmental mitigation measures which will be required. The mitigation measures for the link road which result in significant additional costs have been incorporated into the costs used in EBC's viability assessment. This is set out in more detail in EBC's 'Deliverability and Viability of the SGO' Appendix 5 (June 2019).
5. The Harman report was prepared by the Local Housing Delivery Group (chaired by Sir John Harman) specifically to advise on Local Plan viability assessments. Furthermore, EBC do not rely solely on the Harman report's allowances, and have included specific costs for a wide range of individual infrastructure, based on specific feasibility studies, policy requirements and other evidence. This, and the relationship with the Harman allowances, is set out in more detail in EBC's 'Deliverability and Viability of the SGO' report (June 2019).
6. On the viability / deliverability of the SGO specifically, EBC assessed 58 reasonable scenarios to provide a comprehensive picture. 51 of these 58 scenarios indicate the development is viable. Of these, 12 of the 18 solely developer funded scenarios are viable and the remaining 6 become viable with modest amounts of public support. EBC have a good track record at attracting funding and being pro-active in delivering development where required.
7. The NPPF seeks a reasonable prospect of delivery, and a balanced conclusion should be drawn from all 58 scenarios. On this basis, EBC consider there is a reasonable prospect of delivering the SGO and supporting infrastructure.

Appendix C

Summary of WCC Concern re Issue (2) (Feasibility / Fitness for Purpose of Proposed Link Road)

1. WCC remains of the view that the road has not yet be shown to be technically feasible and that this remains of concern given that the SGO cannot be considered deliverable without it.
2. WCC considers that until HCC as highway authority has approved the technical design, the full costs of construction and mitigation cannot be considered finalised and the impact of the road fully appraised. WCC does not offer its own view on this matter as it considers HCC the competent authority and will be guided by its judgement.
3. WCC therefore remains concerned that the costings of the road (see Appendix B above) are substantial and without certainty over the technical approvals the costing of the road and therefore its funding requirement remains uncertain, this being part of WCC's concern over viability.

Summary of EBC Response re Issue (2) (Feasibility / Fitness for Purpose of Proposed Link Road)

4. EBC consider that the road is technically feasible, and this has been appropriately demonstrated to a level proportionate to a Local Plan. This is based on a comprehensive evidence base which includes the link road feasibility report produced by Hampshire County Council's Engineering Consultancy team (SGO008), the Allbrook rail bridge / Itchen navigation / Highbridge Road reports (TRA007, TRA008, TRA009 and examination documents [June 2019]), the Transport Assessment (TRA001 and TRA002), and the M3 junction 12 / Allbrook Way reports (TRA006 and examination documents [June 2019]).
5. EBC consider that it is normal for there to be some uncertainties at this stage in the project, and for technical approvals to follow at a later stage. Furthermore, these uncertainties are already factored into the costs used, with high levels of optimism bias / contingency and risk in accordance with Department for Transport guidance for a project at this stage in the process.
6. Overall, EBC's SGO viability evidence includes substantial cost allowances for all the off-site highways infrastructure, based on engineering feasibility studies. EBC's viability evidence is therefore based on robust infrastructure costs and WCC's concerns are not grounds for concluding that there is not a reasonable prospect for delivery proportionate to the Local Plan stage.

