

Island Planning Strategy

Duty to Co-operate: Statement of Common Ground

1.0 Introduction

- 1.1 The *Localism Act 2011* places a legal duty on planning authorities and other prescribed bodies to cooperate with each other on strategic planning issues that cross administrative boundaries. It is expected that engagement and cooperation will be constructive, active and ongoing.
- 1.2 In accordance with the National Planning Policy Framework (NPPF) December 2023 (paragraph 24), public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to strategic priorities. This forms part of each local planning authority's evidence for their emerging Local Plans.
- 1.3 The NPPF states that the Government expects joint working on areas of common interest and paragraph 20 lists four key areas: housing, infrastructure provision, community facilities and the environment. All of these are relevant to the Isle of Wight.

2.0. List of parties involved

- 2.1 In line with paragraph 27 of the NPPF, this Statement of Common Ground (SoCG) is a jointly agreed statement between **New Forest District Council** and Isle of Wight Council in relation to the Pre-Submission Draft (Regulation 19) Island Planning Strategy (IPS) 2022-2037 and the representations submitted by **New Forest District Council** in response to that consultation.
- 2.2. The SoCG documents the strategic planning and/or cross-boundary matters being addressed between these parties and sets out the progress in co-operating to address these and where agreement has been reached.
- 2.3. Both the Isle of Wight Council and **New Forest District Council** are also required to publish 'Duty to Cooperate (DtC) Statements' setting out how this legal duty has been fulfilled in the preparation of their respective Local Plans and this SoCG should be read in conjunction with the Duty to Cooperate Statement that accompanies the Isle of Wight Council's Submission version of the Island Planning Strategy.

What does this document include?

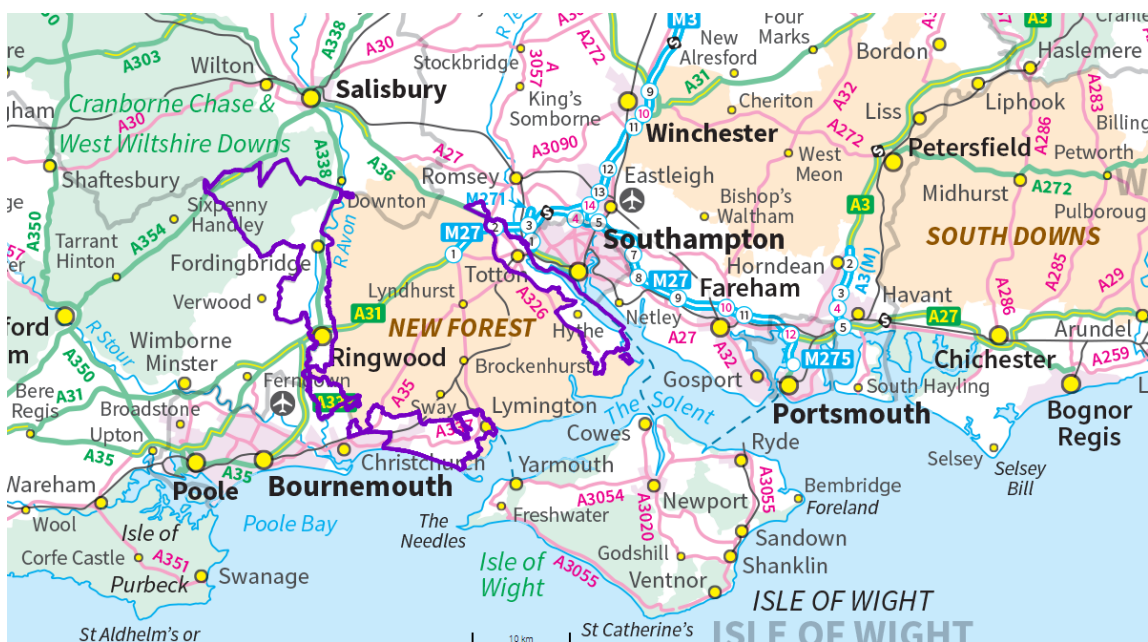
- 2.4. Section 3 sets out a map of the respective administrative areas (where relevant).
- 2.5. Section 4 sets out the cross boundary matters covered by this SoCG and sets out where agreement has been reached on these issues.

- 2.6. Appendix 1 sets out the Regulation 18 and Regulation 19 representations received from **New Forest District Council**.

Background

- 2.7. A new local plan, the Island Planning Strategy (IPS), is being prepared to replace the Island Plan Core Strategy which was adopted in 2012. The Council began the process of preparing the Draft IPS in 2017 to give it the policies it needs to deal with the challenges, such as the delivery of affordable housing and climate change, it now faces.
- 2.8. Since 2018 the local planning authority (LPA) has determined planning applications under the statutory test having regard to the tilted balance of the policy presumption in favour of sustainable development as set out in the National Planning Policy Framework (NPPF). This is because the LPA has either not been able to demonstrate an adequate Housing Land Supply (HLS) or is below the Housing Delivery Test (HDT) threshold for delivery of new homes.
- 2.9. Adopting the IPS with a new island realistic housing requirement will reset the HDT calculation and the LPA will then be able to meet the minimum HDT threshold, whilst also demonstrating an adequate HLS in relation to the planned growth within the IPS. Adopting a new plan will also allow the council to use the suite of new policies in planning decision making that cover multiple topics that align with corporate priorities.
- 2.10. The draft IPS has been through extensive public consultation, including two separate periods at Regulation 18 in 2018/19 and 2021, both of which incorporated a full draft plan and proposals map.

3.0. Strategic Geography



- 3.1 This Statement of Common Ground (SoCG) is an agreed statement between **New Forest District Council** as the Local Planning Authority and the Isle of Wight Council in relation to issues and matters associated with the emerging Island Planning Strategy. The respective administrative areas of the two parties are shown in the map above, with NFDC outlined in purple.
- 3.2 The comments and representations **New Forest District Council** made to the Regulation 18 and Regulation 19 stages of the Island Planning Strategy are set out in Appendix 1. The key strategic matters are set out in the following section.

4.0 Strategic Matters

- 4.1 The Isle of Wight Council and **New Forest District Council** agree that the following are the key strategic matters for the two planning authorities:
- i. meeting objectively assessed housing needs;
 - ii. commercial development and impact of the Solent Freeport;
 - iii. infrastructure provision including Cross Solent transport;
 - iv. consistency / availability of habitat mitigation measures

(i) Meeting objectively assessed housing needs

- 4.2 It is common ground between **New Forest District Council** and Isle of Wight Council that each local planning authority is located in separate housing market areas (HMA), as supported by the Planning for South Hampshire (PfSH) Spatial Position Statements (SPS) of 2016¹ and 2023² and the Isle of Wight Housing Needs Assessment 2022³ (particularly Section 4).
- 4.3 The evidence base for the 2016 SPS identifies three separate housing market areas (HMAs) within the PfSH area. These are the Isle of Wight HMA, the Southampton HMA (which includes Southampton, New Forest, Test Valley, Eastleigh and western parts of Winchester and Fareham) and the Portsmouth HMA (which includes Portsmouth, Havant, Gosport, East Hampshire and eastern parts of Winchester and Fareham). Since the 2016 SPS was prepared, the PfSH area was expanded to include the whole of the New Forest District (previously it was the 'Waterside' area). This additional area also includes the Salisbury HMA and Bournemouth/Poole HMAs⁴.

¹ <https://www.push.gov.uk/wp-content/uploads/2022/05/PUSH-Spatial-Position-Statement-2016.pdf>

² [PfSH Spatial Position Statement 2023 - Partnership for South Hampshire \(push.gov.uk\)](https://push.gov.uk/pfsh-spatial-position-statement-2023-partnership-for-south-hampshire)

³ <https://iwc.iow.gov.uk/documentlibrary/download/isle-of-wight-local-housing-needs-assessment-may-20221>

⁴ https://forms.newforest.gov.uk/ufs/form_docs/Policy/Evidence%20Base/HOU%20-%20Housing/01%20Submission%20Documents/HOU04%20New%20Forest%20Strategic%20Housing%20Market%20Assessment%20GL%20Hearn%202014.pdf?ufsReturnURL=https%3A%2F%2Fforms.newforest.gov.uk%2Fufs%2Fufsreturn%3Febz%3D2_1718379343249

4.4 Whilst the 2016 SPS was prepared in line with the 2012 National Planning Policy Framework (NPPF), it is common ground that the identified HMAs remain relevant for the purposes of the duty to cooperate and continue to be used consistently in recent years across PfSH authorities in local plan preparation.

4.5 The Isle of Wight Housing Needs Assessment (GL Hearn, 2022) para 1.4 summarises that the evidence identifies the Isle of Wight as being in a separate housing market to other local authority areas on the mainland.

‘In combination, internal migration, travel to work, and house price data suggest an Housing Market Area (HMA) comprising the Isle of Wight alone and no other geographies. This is consistent with the 2014 Strategic Housing Market Assessment (SHMA) and Housing Needs Assessment 2018 (HNA 2018).’

The main body of the report para 4.50 identifies that *‘There are, therefore, reasonably strong relationships between the Isle of Wight and Portsmouth and Southampton in terms of house prices, commuting, and migration. However, they remain a relatively small percentage of the total.’*

Paragraph 4.51 continues that *‘The evidence therefore supports the conclusion that the Isle of Wight forms its own HMA.’*

4.6 Being located within separate HMAs does not preclude further assessment of meeting housing needs between **New Forest District Council** and Isle of Wight Council. However it does limit the power and strength of the key functional linkages between places where people live and work, with the Solent being a key barrier that prevents significant overlap of the Isle of Wight HMA with the adjoining Southampton and Portsmouth HMAs.

4.7 On the issue of objectively assessed housing needs, Planning Practice Guidance stipulates that three distinct areas should be covered when considering this issue under the Duty to Cooperate:

A. the capacity within the strategic policy-making authority area(s) covered by the statement to meet their own identified needs

B. the extent of any unmet need within the strategic policy-making authority area(s); and

C. agreements (or disagreements) between strategic policy-making authorities about the extent to which these unmet needs are capable of being redistributed within the wider area covered by the statement.

4.8 A: For **New Forest District Council** the adopted Local Plan 2016-2036 Part 1: Planning Strategy (July 2020) sets out a housing target, that equates to an average of 521 dwellings per annum over the Plan period to 2036. **The adopted Local Plan is currently less than five years old.** The latest (2024, using March 2024 affordability ratios) standard method calculation for the New Forest indicates an uncapped housing need of 1,027 dwellings per annum. The Spatial

Position Statement⁵ published by PfSH (Partnership for South Hampshire) in December 2023 indicates a significant current housing supply shortfall in the PfSH area of approximately 11,770 dwellings for the period up to 2036. Within this figure, a shortfall of 5,650 dwellings is projected within the New Forest Planning Area in the period to 2036. It is in this context that **New Forest District Council** has recently commenced a full Local Plan review, mindful that such a new Local Plan would also need to address a plan period significantly beyond 2036.

- 4.9 **New Forest District Council** is also mindful of the proposed revisions to the method of calculating housing need as set out within the recently consulted National Planning Policy Framework and accompanying documents. This indicated a revised housing need of 1,465 dwellings per annum for the New Forest which, if carried forward to the final version of the method, would represent a significant uplift in housing need for an area which is already challenged in meeting current needs.
- 4.10 A: For Isle of Wight Council, the Local Housing Need (LHN) derived by the Government standard method (SM) for the Isle of Wight is currently **703 dpa (March 2024)**, which equates to **10,545 homes** across the 15-year plan period. The Island Planning Strategy does not dispute the SM for the Isle of Wight as the relevant housing need, however due to constraints of the housing market on the island it is planning for a housing requirement of **453 dpa**, equating to **6,795 homes** across the 15-year plan period. The Isle of Wight Council is therefore unable to meet its own identified needs (there would be an unmet need of 250 dwellings per annum equating to 3,750 dwellings over the proposed submission IoW Local Plan period 2022-2037).

B. New Forest District Council and Isle of Wight Council have agreed that it is currently not possible for the unmet need of **the Isle of Wight Council (equating to 250 dwellings per annum)** to be redistributed either in its entirety or partially, within the administrative area of New Forest District Council.

- 4.11 Based on **New Forest District Council's** current understanding of its constraints in preparing a new Local Plan, it is unlikely to be in a position to meet such unmet housing needs. Further to this, the principles behind the agreements detailed above are due to the separate housing market areas that the Isle of Wight and **New Forest District Council** are situated in, the high degree of self-containment of the island for both internal migration (80%) and travel to work (90%) and the impact of the physical separation of the island from the mainland, especially the associated cost of travel across the Solent.
- 4.12 Notwithstanding the ability or otherwise of the parties' respective administrative areas to have the physical capacity to meet any unmet need and that may emerge in future assessment work, the issues highlighted above in combination mean that it would not be sustainable or deliverable to do so, and would risk

⁵ <https://www.push.gov.uk/work/planning-and-infrastructure/push-position-statement/>

the plan being unsound. [IPS Housing evidence papers C & D](#) also add further context on this issue.

(ii) Commercial development and impact of the Solent Freeport

- 4.13 **New Forest District Council** and Isle of Wight Council have agreed that though there may be commercial needs arising in the future from the development of the Solent Freeport, these are not currently quantified in detail but may occur over the period covered by the Island Planning Strategy. Isle of Wight Council and **New Forest District Council** have agreed to continue to cooperate on resolving any matters arising for commercial development arising from this designation.
- 4.14 Whilst there is no standard approach to defining a functional economic market area, evidence shows that approximately 90% of all commuting journeys on the Isle of Wight take place on the island, with weak commuting links to other areas. Coupled with separate housing market areas, it is agreed by both parties that the Isle of Wight Council and **New Forest District Council** operate in different economic market areas for the purposes of plan-making.
- 4.15 The parties acknowledge the additional costs to businesses setting up on the island, the limited labour supply availability and the higher transport costs for businesses make the island a less attractive location for meeting commercial needs from the mainland.

(iii) Infrastructure provision including Cross Solent transport

- 4.16 The Isle of Wight Council and **New Forest District Council** have agreed to work together to address issues arising in maintaining and improving Cross Solent ferry transport for commercial and passenger traffic. This will also require liaison as required with Hampshire County Council in its capacity as the Local Transport Authority. It is acknowledged by the parties that future development needs may arise in relation to cross Solent transport and the authorities will work together to find satisfactory solutions, especially around key transport nodes within or adjacent to each area that support cross Solent travel:
- *Yarmouth & Lymington Wightlink car ferry terminals*
- 4.17 The parties agree that the ongoing preparation of Local Transport Plans both on the island and in Hampshire will be fundamental in ensuring that sustainable cross-Solent travel measures that go beyond plan-making are taken forward in a positive manner.

(iv) Consistency and availability of habitat mitigation measures

Nutrient neutrality

- 4.18 Following case law in 2018 and evidence creating uncertainty around the contribution of new development on the island to deteriorating water quality

(eutrophication) in the Solent and the effect this is having on internationally designated sites, there is a requirement for new development to demonstrate that it will not cause a likely significant effect on the integrity of these sites. Development needs to demonstrate that it would prevent a net increase in nutrients and therefore be 'nutrient neutral'. The Isle of Wight Council has produced a [position statement](#) that provides full details on this issue.

- 4.19 One way in which development can demonstrate 'nitrate neutrality' is to purchase 'credits' from strategic nitrate credit sites. There are currently five strategic nitrate credit sites located on the island that have sold or are selling nitrate credits that can be purchased to offset development located on the mainland. As set out in the position statement, the Isle of Wight Council undertakes a monitoring role for these sites and secures this through completion of a Section 106 agreement. On relevant sites **New Forest District Council** is a party to these Section 106 agreements.
- 4.20 Both parties agree that the Isle of Wight Council will only perform a monitoring role for current and future strategic nitrate credit sites that can be used to offset development located within **New Forest District Council's** administrative area.
- 4.21 Both parties agree to continue to work with PfSH through the Natural Environment Group to coordinate the provision of strategic nitrate credit solutions across Hampshire and the Isle of Wight in the medium to long term.

Biodiversity Net Gain (BNG) – strategic credit sites

- 4.22 In line with national policy and the Environment Act 2021, the Island Planning Strategy contains a policy requirement for development to provide a minimum of 10% net gain for biodiversity (Policy EV2 Ecological Assets and Opportunities for Enhancement). One way of development meeting their BNG obligation will be through the purchase of off-site BNG 'credits'.
- 4.23 The Isle of Wight is currently a location for one strategic BNG credit site and further such sites may come forward. Equally, strategic BNG credit sites may come forward on the mainland, including within **New Forest District Council's** administrative area. The owners / operators of these strategic BNG credit sites are able to sell BNG credits to development within both the Isle of Wight and **New Forest District Council's** administrative areas.
- 4.24 Both parties agree that where strategic BNG credit sites come forward in their respective administrative areas, they will provide the requisite monitoring of those credit sites and secure that through planning conditions or planning obligations.

5.0 Governance arrangements for the cooperation process

- 5.1 This SoCG has been prepared and agreed at officer level between the Isle of Wight Council and **New Forest District Council** following publication for

Regulation 19 of the Draft Island Planning Strategy and subsequent submission of the plan in late October 2024.

5.2 Whilst not a formal member of PfSH, the Isle of Wight Council continues to be represented in cross-Solent groups covering a variety of topics. At Officer level, Isle of Wight Council and **New Forest District Council** are both represented on the working groups listed below and will continue to engage through these forums on a wide variety of issues:

- HIPOG
- Development Plans Group
- PfSH Natural Environment Group
- Solent Forum
- Bird Aware Steering Group

6.0 Timelines for review / updates to the Statement of Common Ground

6.1 This SoCG was initially prepared for publication with the Regulation 19 version of the Draft Island Planning Strategy and associated evidence base so that the local community and stakeholders can see how cross-boundary issues are being discussed / assessed between relevant parties.

6.2 It was further reviewed once **New Forest District Council** submitted their representations during the Regulation 19 period of representation.

6.3 It is also currently anticipated that a similar statement will be prepared as **New Forest District Council** progresses with its own Local Plan review and this would provide an opportunity to update this Statement and review any strategic planning matters where appropriate, post adoption of the Island Planning Strategy.

Signatories

For the Isle of Wight Council:



Name: James Brewer
Date: 4th November 2024
Position: Planning Policy Manager

For New Forest District Council:



Name: James Smith
Date: 11th November 2024
Position: Planning Policy Team Leader

Appendix 1

Regulation 18 representations

Representations from New Forest District Council

Thank you for the opportunity to comment on the IoW Regulation 18 Draft Local Plan. This is an officer level response on behalf of New Forest District Council. NFDC officers met with Mr James Brewer from the Isle of Wight Council in April of this year to discuss whether under the Duty to Cooperate there were any cross border matters or issues that the Isle of Wight Local Plan may need to consider in its Local Plan review. No substantive matters were identified.

From a housing perspective, officers from both Councils were in agreement that it would not be appropriate as 'neighbouring' authorities for either to seek help from the other to deliver any unmet housing need that might arise, given that our respective housing markets are functionally as well as physically separated by the Solent. We note with interest the market capacity/ delivery analysis informing the draft IoW Plan, its unique context in terms of the absence of volume housebuilders, and that the housing target below OAN reflects delivery capacity rather than a fundamental lack of potentially suitable land.

Having reviewed the draft Local Plan there are no other specific comments we wish to raise, other than to note for the record our appreciation for the constructive manner that IOW Council has engaged with the nutrient neutrality issue affected the wider Solent, as host authority to a number of private mitigation providers that are helping to unlock stalled housing development on the 'mainland'.

Regulation 19 representations

Representations from New Forest District Council

Thank you for inviting New Forest District Council to make representations on the Isle of Wight (IoW) Council Regulation 19 Submission version Local Plan Island Planning Strategy (hereafter referred to as the 'pre-submission Local Plan').

Please find below an officer response on behalf of New Forest District Council (NFDC).

Meeting Housing Needs (Draft Policy H1)

NFDC notes that, as set out in draft Policy H1, IoW Council is proposing a housing target of 6,795 dwellings (453 dwellings per annum) for the Plan period 2022-2037, which is below the housing need identified by the Government's standard method of 10,545 dwellings (703 dwellings per annum). The Government is currently consulting on proposed changes to the National Planning Policy Framework (NPPF) and on a proposed revised standard method for calculating housing need. Under the proposed revised standard method, the housing need figure for the Isle of Wight would be 1,104 dwellings per annum (16,560 dwellings over a 15-year period). Against this figure, the unmet housing need for the Isle of Wight would be approximately 9,795 dwellings, equating to approximately 650 dwellings per annum. The proposed NPPF changes also highlight the importance of meeting housing needs and of strategic planning.

Regarding meeting housing need and addressing unmet needs, both councils have previously considered that it would be inappropriate for either party to seek assistance in meeting the others housebuilding targets due to the respective housing markets being functionally as well as physically separated by the Solent. This position is in part informed on the basis of previous and current national planning policy. Whilst the current NPPF (December 2023) remains in force, and assuming IoW Council submit their Local Plan for the examination in time for it to be examined against the December 2023 version of the NPPF, then this would remain NFDC's position regarding housing needs.

However, under the likely forthcoming NPPF update, housing need under the proposed standard method will increase significantly for the south Hampshire and Isle of Wight region. Additionally strategic planning is proposed to have notably increased importance. Due to these factors, assuming the new NPPF is finalised and published broadly as currently proposed, NFDC believes consideration could be given to whether there is merit in including a policy that commits to undertake an early review of the Local Plan. This is to provide an appropriate mechanism to revisit the extent of housing need to plan for in the longer term and how those needs should be addressed to be considered strategically (through PFSH and other partners) across an appropriate geography.

Lymington to Isle of Wight Ferry (Draft Policy T3)

No changes have been proposed in the pre-submission Local Plan that would adversely impact the Lymington ferry that connects to the Island. NFDC welcomes the

inclusion of draft Policy T3 which support proposals that help to maintain and improve the current choice of routes and methods of crossing the Solent and sets out how development proposals at existing cross-Solent passenger and vehicular terminals will be considered. NFDC would welcome co-operative working with IoW Council, in conjunction with Hampshire County Council, to seek to address any issues arising in maintaining and improving Cross Solent ferry transport for commercial and passenger traffic.

Nutrient Neutrality (Draft Policy EV4)

On the issue of nutrient neutrality, NFDC appreciates the constructive manner that IoW Council has engaged, and continues to engage co-operatively, with the nutrient neutrality issue affected the wider Solent and the contribution IoW Council has made towards facilitating housebuilding on the mainland and the Island through the creation of nitrate credit projects. NFDC supports draft Policy EV4 which requires all development proposals that involve a net increase of residential units or a net increase in guests at tourist accommodation to demonstrate that the development would not cause harm to the Solent Marine Sites as a result of drainage that would result in a net increase in nutrients.