

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 NPPF (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 National Planning Policy Framework (NPPF), this Statement of Common Ground (SoCG) is a jointly agreed statement between **Southampton City 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 **Southampton City 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 **Southampton City 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 **Southampton City 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 2018/9 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 **Southampton City 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.
- 3.2 The comments and representations **Southampton City 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 **Southampton City 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 **Southampton City Council** and Isle of Wight Council that each local planning authority is located in a separate housing market area (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).
- 4.4 Whilst the 2016 SPS was prepared in line with the 2012 National Planning Policy Framework (NPPF), it is common ground that the three 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.

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://www.push.gov.uk/wp-content/uploads/2023/03/PfSH-Spatial-Position-Statement-2023-Partnership-for-South-Hampshire.pdf)

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

- 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 a 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 **Southampton City 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 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 **Southampton City Council** the Local Housing Need (LHN) derived by the Government standard method (including the 35% cities uplift) is currently **1,450 dpa (March 2024)**. The [2023 Partnership for South Hampshire \(PfSH\) Spatial Position Statement](#) identifies an annual housing need for **1,475 dpa** and therefore a **total housing need across the identified period 2023-2036 of 19,175**. At the time of the PfSH Spatial Position Statement (Dec 2023), Southampton City Council had an identified supply of 15,951, therefore leaving an unmet need of 3,224 or 248dpa. **Southampton City Council** have confirmed that at the current stage of their plan making process, they are **unable** to meet their own identified needs.

4.9 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.

4.10 The table below sets out the extent of unmet need within the respective areas for the respective plan periods, SCC (2023 – 2036) & the Island Planning Strategy (2022-2037):

B: Unmet need		SCC		IOW Council		Combined	
		Annual	Plan period (13)	Annual	Plan period (15)	Annual	Plan period
1	LHN: PfSH SPS (SCC) / standard method (IWC)	1,475	19,175	703	10,545	2,178	29,720
2	Housing requirement (emerging or adopted)	1,227	15,951	453	6,795	1,680	22,746
3	Unmet need (1 minus 2)	248	3,224	250	3,750	498	6,974

C. Southampton City Council and Isle of Wight Council have agreed that it is not appropriate for the unmet need of **Southampton City Council (equating to 248 dwellings per annum)** to be redistributed either in its entirety or partially, within the administrative area of the Isle of Wight Council.

C. Southampton City Council and Isle of Wight Council have agreed that it is 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 Portsmouth City Council.

4.11 The fundamental principles behind the agreements detailed above are due to the separate housing market areas that the Isle of Wight and **Southampton City 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. It should also be noted that the 35% housing target uplift directed to Southampton City Council by government is for urban centres only, therefore any undersupply related to this uplift should not be directed to surrounding authorities, including the Isle of Wight Council. SCC's unmet need identified in the table above is entirely generated by the 35% urban uplift. This position reflects that within the PfSH Spatial Position Statement (page 28, footnote 11).

4.12 Notwithstanding the ability or otherwise of the parties respective administrative areas to have the physical capacity to meet any unmet need, the issues highlighted above in combination mean that it would not be sustainable or deliverable to do so, and would risk 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 **Southampton City 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 but may occur over the period covered by the Island Planning Strategy. Isle of Wight Council and **Southampton City 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 **Southampton City 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 **Southampton City Council** have agreed to work together to address issues arising in maintaining and improving Cross Solent ferry transport for commercial and passenger traffic. 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 and approaches within each area that support cross Solent travel:

- *Town Quay Red Jet terminal*
- *Cowes Red Jet terminal*
- *East Cowes & Southampton Red Funnel car ferry terminals*

4.17 The parties agree that the ongoing preparation of Local Transport Plans both on the island, for Southampton, and sub-regional and sub-national Transport Strategies, 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.
- 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 **Southampton City 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, possibly within **Southampton City 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 **Southampton City 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, planning obligations or any other means consistent with the requirement of the Environment Act 2021.

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 **Southampton City Council** in advance of the publication for Regulation 19 of the Draft Island Planning Strategy.
- 5.2 This SoCG will be subject to elected member sign off at Portfolio Holder level for both parties prior to submission of the Draft Island Planning Strategy under Regulation 22.
- 5.3 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 **Southampton City Council** are both represented on the working groups listed below and will continue to engage through these forums on a wide variety of issues:
- Hampshire & Isle of Wight Planning Officers Group
 - 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 draft SoCG has been 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 is anticipated that a further review of the SoCG will be undertaken once **Southampton City Council** have formally submitted representations during the Regulation 19 period of representation. As noted in paragraph 5.2, that version will be subject to elected member sign off.
- 6.3 It is also anticipated that a similar statement will be prepared as **Southampton City 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: 17 June 2024

Position: Planning Policy Manager

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For Southampton City Council:

Name: Amber Trueman

Date: 03 July 2024

Position: Strategic Planning Manager

Appendix 1

Regulation 18 representations

Representations from Southampton City Council

Southampton City Council responded to the Regulation 18 consultation which was undertaken between 30 August and 1 October 2021. The response and key themes raised included:

1. Supports the objectives and intentions in the plan and policies. These provide broad relevant and representative coverage of the challenges facing the IOW as well as helping to support wider initiatives in the Partnership for South Hampshire.
2. Recognises the approach taken to calculate the island's housing need and appreciates there has a clear justification due to limited number of national operators on the island and its special housing market circumstances. SCC is satisfied that the IOW has a sound reasoning behind the housing figure and does not consider this creates an unmet housing need.
3. welcomes any further collaboration with the IOW on any relevant cross-boundary strategic planning matters.