

Statement of Common Ground
Portsmouth City Council &
Havant Borough Council
October 2026



1. Introduction

What is a Statement of Common Ground?

1.1 This Statement of Common Ground (SCG) is a jointly agreed statement between Portsmouth City Council (PCC) and Havant Borough Council (HBC). It sets out the position and understanding with respect to key cross boundary strategic issues between the two authorities. It is not binding on either party but sets out a clear and positive direction to inform ongoing strategy and plan making. It should be noted that this is a bilateral agreement between these two authorities only. It supersedes the SCG between PCC and HBC dated 19 February 2026.

1.2 Both PCC and the HBC are progressing their emerging Local Plans under the legacy planning system. PCC have submitted their Plan under the transitional arrangements for Local Plans set out in Annex 1 of the 2024 National Planning Policy Framework (NPPF). HBC is working towards submission of their Local Plan by the end of 2026. Both plans will be examined under the 2024 NPPF, though a new NPPF was published on the 17 August 2026.

1.3 On the 25 March 2026, new provisions from the Levelling Up and Regeneration Act came into force. These regulations provide for the transition to the 'new style' plan making system, whilst importantly saving the relevant Town and Country Planning (Local Planning) (England) Regulations 2012 enabling development plans, such as the Portsmouth and Havant Local Plans to progress to adoption under transitional arrangements.

1.4 Significantly however, the regulations do not 'save' the Duty to Co-operate in relation to planning of sustainable development, set out in Section 33A of the Planning and Compulsory Purchase Act 2004. Although the legislative requirements have removed the Duty to Cooperate as a legal compliance requirement, paragraph 24 of the 2024 NPPF requires local planning authorities to continue to cooperate with each other on strategic matters.

1.5 This SCG has been prepared in parallel with both HBC's Publication Building a Better Future Plan and the examination of PCC's Local Plan under Regulation 24 of the Town and Country Planning (Local Planning) (England) Regulations (2012). PCC and HBC agree on the importance of continuing to work on strategic cross boundary issues in line with national policy.

What does this document include?

Section 1 introduces the Duty to Cooperate and sets the context for this SCG.

Section 2 outlines the strategic geography of Portsmouth City and Havant Borough.

Section 3 sets out the key cross boundary strategic issues addressed by this SCG with an agreed position between the two Councils on each issue.

2. Strategic Geography

2.1 A map of the two authority areas is set out in figure 1. Portsmouth City lies adjacent to the Solent on the southern coast of England. The majority of the City's landmass is on Portsea Island and therefore it has a unique geographic location and relationship to the sea. The authority comprises approx. 40.1 square kilometres and is home to approximately 219,101 people, with a population density higher than some parts of London.

2.2 The Borough of Havant is located on the coastal plain between the South Downs and the Solent. The authority area comprises approximately 55 square kilometres with a population of 132,006. The borough is made up of five sub areas namely Emsworth, Havant, Hayling Island, Leigh Park and Waterlooville.

2.3 Havant Borough lies immediately to the northeast of Portsmouth. The Drayton & Farlington ward of Portsmouth borders the Bedhampton and Purbrook wards of Havant.

2.4 Portsmouth is constrained in terms of geographical area, with the Solent to the south, the large natural Harbours and the close proximity of the adjoining boroughs and districts to the north. This limits the space for potential development in the City largely to brownfield land. Most of the brownfield sites in the City have significant constraints such as contamination, historic structures and complicated ownership.

2.5 Havant Borough is mainly urban in nature though there are some areas which are more rural in character, notably that of Hayling Island. Havant Borough shares a large proportion of the constraints which also affect Portsmouth City, being a small, already densely built up urban area with little growth potential and significant constraints affecting potential development sites. Chichester Harbour National Landscape encompasses the eastern edges of Hayling Island and the southern part of Emsworth. The northern part of the Borough adjoins and falls within the setting of the South Downs National Park.

2.6 PCC and HBC both fall within the Portsmouth Housing Market Area and Functional Economic Market Area in their entirety.

2.7 This geography informs the shared issues faced by the City and Borough in planning for their futures. Finding new land for housing and employment is key to both authorities, which face similar geographical constraints. As adjoining local authorities, the impact of new development is felt across the boundary. PCC is a significant landowner in the Borough of Havant with large areas of Council housing at Leigh Park and Wecock Farm. PCC is also the landowner of Dunsbury Park which is part of the Solent Freeport.

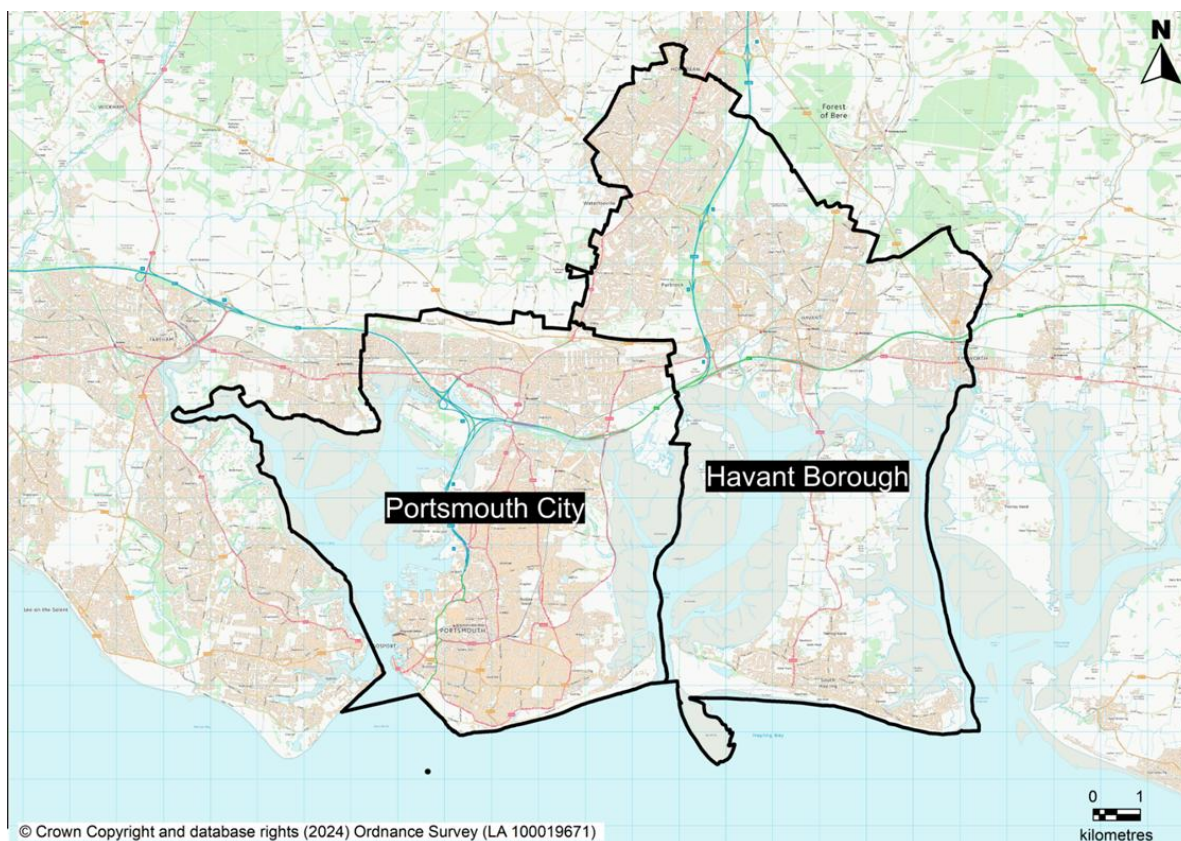


Figure 1: Map of Portsmouth City and Havant Borough

Partnership for South Hampshire and South East Hampshire joint working

2.8 PCC and HBC are active members of the Partnership for South Hampshire (PfSH). It is a partnership of district and unitary authorities, together with Hampshire County Council and the New Forest National Park Authority, working together to support the sustainable growth of the South Hampshire sub-region. A map of the PfSH area is set out in figure 2.

2.9 The Partnership has a strong track record in collaborative working to achieve common goals in South Hampshire. PfSH has successfully developed a number of innovative solutions to challenging issues and thus unlocked development in the sub-region whilst recognising its constraints. The PfSH Spatial Position Statement was approved by the Partnership's decision-making body, the Joint Committee, in December 2023¹. It aims to provide guiding principles for local plans to help deliver sustainable development within South Hampshire.

2.10 Following on from an advisory meeting with the Planning Inspectorate, PCC tabled an item for PfSH Planning Officers Group in September 2025 to ascertain the appropriate approach to monitoring / reviewing the PfSH SPS. The matter was discussed at PfSH Joint Committee who approved the following statement:

¹ <https://www.push.gov.uk/wp-content/uploads/2025/12/Full-Agenda-Pack-09-December-2025.pdf>

PfSH approved a Spatial Position Statement in December 2023. It sets out strategic principles to guide development. It also sets out the balance between the need and supply of new dwellings across the sub region, identifying a shortfall in supply still to be planned for of 11,771 dwellings to 2036. It recognises that some authorities are at an early stage in plan preparation, and that as part of this plan making work additional sites will be identified to meet unmet needs. The Statement sets out a two stage process to addressing needs, first identifying the authorities which should be able to meet or exceed their needs, and second by identifying broad areas of search for growth to be considered further through local plans.

Since this Statement was approved, the Government's standard method for calculating housing need has changed from a population based to a housing stock based algorithm, and the affordability ratio has also changed. As a result the housing need figures for the PfSH area as a whole have increased.

The national proposals to reintroduce statutory strategic planning will require the preparation of a Spatial Development Strategy by the proposed Mayoral Combined Authority for Hampshire and the Solent. A key output of this work will be meeting housing need. In light of this, PfSH do not intend to update the Spatial Position Statement. However, in the meantime PfSH continue to discuss the latest position to inform the preparation of each authority's local plan in accordance with the 'duty to co-operate'. This is supplemented by the preparation of Statements of Common Ground between individual authorities and groups of authorities as relevant.



Figure 2: Map of the Partnership for South Hampshire sub-region

2.11 More recently, the two authorities have also taken part in collective discussions as part of a grouping of South East Hampshire authorities including Gosport and Fareham Borough Councils. This collaborative working between the four local planning authorities has allowed for the development of an up-to-date picture of the unmet development need situation in South East Hampshire. It has resulted in agreement between the Authorities to help accommodate each other's housing and employment land needs. This is addressed through the South East Hampshire Statement of Common Ground². In addition, the South East Hampshire authorities are working collaboratively on key environmental issues including green infrastructure and biodiversity net gain.

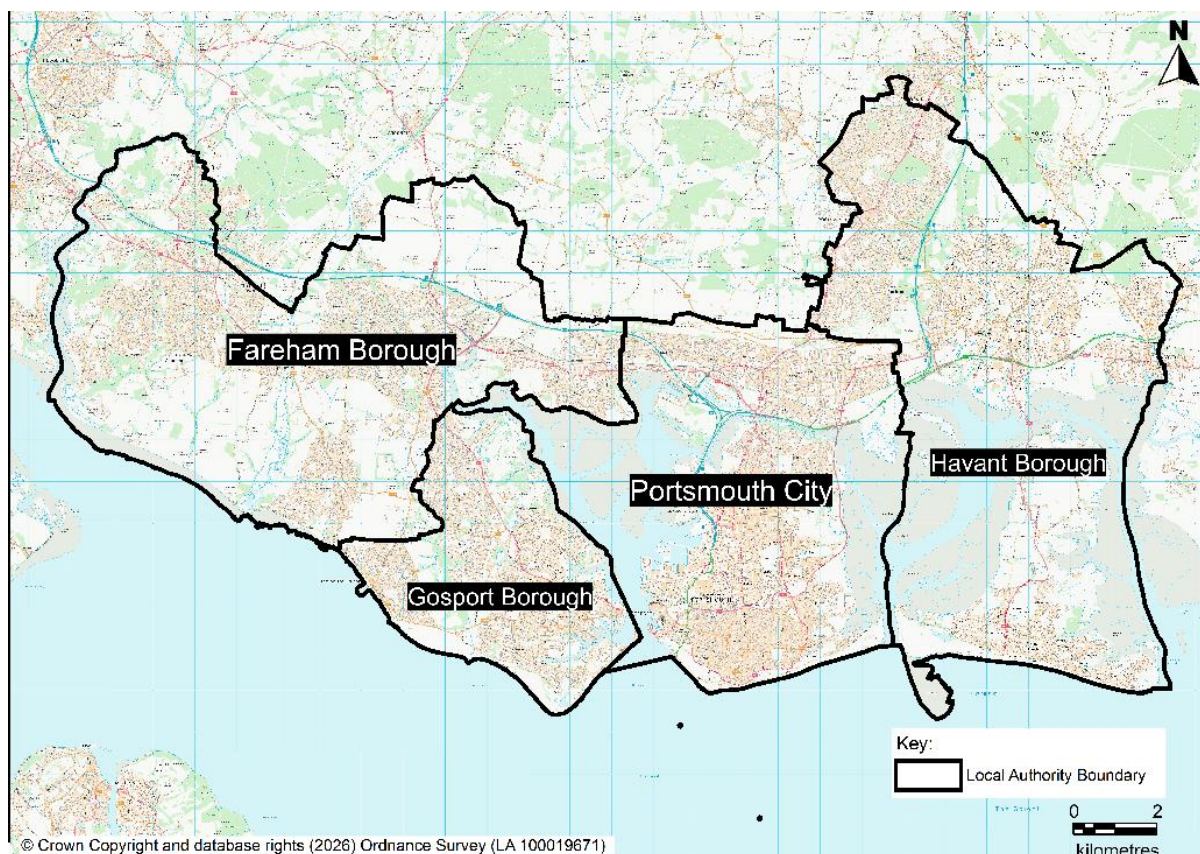


Figure 3: Map of the South East Hampshire authorities

3. Key Cross boundary Strategic Matters

3.1 This section sets out where agreement has been reached on cross border strategic matters, or where further work to reach common ground is required. It should be noted that all the figures relate to the plan period for the Portsmouth Local Plan of 2025-2040 and for the Havant Borough Local Plan period of 2022-2043³.

² https://media.portsmouth.gov.uk/wp-content/uploads/2026/03/Final_SCG_SEH_Mar-26.pdf
Also available at: <https://www.havant.gov.uk/sites/default/files/2026-06/South%20East%20Hampshire%20Local%20Authorities.pdf>

³ HBC are considering if they need to re-base the plan period to 2025 for the Pre-Submission Local Plan

Housing

3.2 The table below sets out the respective housing land supply positions of the two authorities as of October 2026.

LPA	Plan period		Housing need according to the standard method	Housing supply	Unmet need
Havant Borough Council	2022-2043 (21 years)	Total	15,822 (2025-2043 18 years)	5,908 ⁴	-9,914
		Dwellings per annum	879	337	-550
Portsmouth City Council	2025-2040 (15 years)	Total	15,285	11,090	-4,195
		Dwellings per annum	1,019	739	-280

Table 1: Housing Land Position – October 2026

Portsmouth City Council's Position

3.3 PCC submitted its Local Plan to the Secretary of State for examination in March 2026. The Local Plan will cover the period from 2025 to 2040. PCC is preparing for hearing sessions scheduled to start on 6th October 2026.

3.4 Based upon the assessment carried out through the Housing and Economic Land Availability Assessment (HELAA) (updated using new monitoring information up to March 2026) the Portsmouth Local Plan has set a housing target for Portsmouth of 11,090 new homes from 2025 to 2040 or approximately 739 new homes per year. This figure is a 'capacity-based' target based on the level of housing that can be realistically achieved within the plan period having regard to Portsmouth's constraints, land availability and development capacity. Nevertheless, the Council has sought to leave 'no stone unturned' in robustly and positively identifying all sources of potential housing supply, whilst being pragmatic in its assessment of delivery from permitted sites and HELAA sites.

3.5 The City Council has an unmet housing need of 4,195 dwellings against its housing need. The City Council has written to its neighbours including those in the South East Hampshire Housing Market Area (Chichester District Council, Gosport Borough Council, Havant Borough Council, Fareham Borough Council, East Hampshire District Council, South Downs National Park Authority and Winchester

⁴ Excluding 1,179 completions which took place during 2022/23 to 2024/25

City Council) to ascertain if they are able to accommodate any of its unmet need. Fareham Borough Council confirmed through its Local Plan that it would accommodate 800 dwellings of the City's unmet need. Winchester City Council agreed to provide 148 homes in its newly adopted Local Plan to help meet need in Portsmouth. The City Council is also working proactively with Gosport, Havant and Fareham Borough Councils as part of the South East Hampshire group as set out above.

Havant Borough Council's Position

3.6 HBC concluded its regulation 19 Local Plan on 9 September 2026, and is aiming for submission by the end of 2026. The Publication Building a Better Future Plan makes provision for at least 7,087 new dwellings for the plan period (2022 to 2043), averaging 337 dwellings per annum. However, as of 1 April 2025, there remains a supply of 5,908 new dwellings remaining to be delivered by the Plan (excluding completions which took place 2022/23 to 2024/25). This reflects the re-basing of the start of the plan period to 2022, and the monitoring data which has a base date of 1 April 2025. On this basis, there is an unmet need arising from Havant Borough of 9,914 homes based on a plan period of 2022/23-2042/43. This reduces to 9,569 dwellings when taking the unmet need allowance of 345 dwellings from the Winchester District Local Plan 2020-2040 into account.

3.7 Given the scale of unmet housing need that exists, in addition to engaging with its neighbouring authorities, the Borough has also engaged with other authorities in the Hampshire and the Solent Combined County Authority area. The Council's Statement of Cooperation⁵ documents this and shows that, despite its best efforts, it has not been possible to secure any further commitments towards unmet housing need at this time.

Agreed Position

3.8 The two authorities note the respective positions on housing need and supply. It is agreed that neither authority is in a position to assist the other with accommodating unmet need arising out of each Local Plan. It is agreed that both authorities have prepared their local plans with a robust approach that maximises housing supply as far as is possible in providing sustainable development. Both authorities will continue to work through PfSH and the South East Hampshire group to address the wider need for housing in the HMA.

Employment

3.9 The table below sets out the respective employment land supply positions of the two authorities as of October 2026.

⁵ <https://www.havant.gov.uk/media/11096/download?inline>

LPA	Plan period		Employment need	Employment supply	Surplus/ unmet need	Floorspace Surplus/ Shortfall after Reciprocation
Portsmouth City Council	2025-2040 (15 years)	Total	107,485	130,228	+22,743	0
Havant Borough Council	2022-2043 (21 years)	Total (industrial and warehousing)	146,213	148,930	+2,717	+2,717
		Total (office)	35,258	0	-35,258	-12,515 (-35,258 +22,743 from PCC)

Table 2: Employment Land Position – October 2026

Portsmouth City Council's Position

3.10 Much of the evidence on economic development that supports the Local Plan both in regard to the need and the supply of employment land is provided by the Housing and Economic Development Needs Assessment (HEDNA). This analysed the outlook for employment growth up to 2040 in Portsmouth and the results of the analysis were used to inform the employment floorspace and land needs forecasts. Drawing the need (107,485 m²) and supply (130,228 m²) positions from the HEDNA and HELAA together there is a surplus of 22,743 sqm of new floorspace.

Havant Borough Council's Position

3.11 The Council's Employment Land Review (ELR) 2024 and the ELR Addendum 2026 provide a robust assessment of the Borough's economic and employment development needs. It identifies an objectively assessed need figure of 146,213 sq. m of net new industrial floorspace over the plan period, which can be met by a small margin as shown in Table 2 above.

3.12 However, there is a lack of office sites promoted for development. The ELR notes that the office market has been challenging for a number of years and that developers are unwilling to invest speculatively in securing land allocations when they do not see a reasonable short-term development opportunity. As such, given the current market weakness and limited viability, any new office development would be in the middle to the end of the plan period. There has been no promotion of land for office development as part of the Plan's preparation and so there are no available sites for future office development. Due to the lack of available sites for office development in the Borough, the ELR acknowledges that it may be better to work with neighbouring authorities, particularly Portsmouth City Council to address office need.

Agreed Position

3.13 PCC originally agreed to provide a total of 31,261 sqm of employment floor space towards HBC's unmet employment needs. However, updated monitoring data resulted in a decreased surplus of employment floorspace, which is set out in the Main Modifications⁶ to the Local Plan. The updated surplus of employment floorspace is 22,743 sqm, which is entirely office floorspace. This contribution from Portsmouth would reduce Havant Borough's unmet need for office demand under the high end growth scenario to 12,515 sqm; this has been calculated by subtracting 22,743 sqm from unmet office need in Havant of 35,258 sqm. The two authorities have worked together to develop proposed modifications to Policy 7: Amount of Employment in the Havant Publication Building a Better Future Plan which is appended to this Statement (see Appendix 1).

Transport

Portsmouth City Council's Position

3.14 The majority of Portsmouth is located on Portsea Island which has three road and one rail link to the mainland. Portsmouth is home to an international ferry port with connections to the Continent and Channel Islands, as well as links to the Isle of Wight by ferry and hovercraft. As a unitary authority PCC is also the Transport Authority and adopted its Local Transport Plan 4 (LTP4) in October 2021 which details the Council's vision for travel in Portsmouth until 2038.

3.15 In February 2026, PCC received their Interim Strategic Transport Assessment Addendum⁷. The study identified a number of junctions where congestion issues were expected. The road junction that most impacts commuters and residents of Havant Borough is the junction of the Havant Bypass (A27) and Eastern Road (A2030). The study shows that there will be a minor increase in delays on some of the arms of this junction, but due to physical constraints there are not any additional mitigation measures that can be undertaken. The Interim Strategic Transport Assessment also considered the impact of development beyond the city boundaries, including Havant, but did not identify any specific impact on Havant and that no mitigation in Havant Borough was considered necessary.

The Portsmouth Transport Assessment confirms that there will not be a materially significant impact on the transport network serving the two areas.

Havant Borough Council's Position

3.16 The M27/A27 coastal trunk and the A3(M) meet in Havant Borough and so the Borough enjoys excellent connections towards London, Brighton, Portsmouth, Southampton and beyond. Havant Station is also the best connected train station in

⁶ https://www.portsmouth.gov.uk/sites/default/files/2026-09/FINAL_PLP_Main%20Mods%20V2.0.pdf

⁷ <https://media.portsmouth.gov.uk/wp-content/uploads/2026/02/Portsmouth-Local-Plan-Strategic-Transport-Assessment-Addendum-200226.pdf>

South Hampshire. The London airports of Heathrow and Gatwick are just over an hour away and Portsmouth International Port is nearby offering further international connections. The Building a Better Future Plan embeds the new Local Transport Plan 4 which was adopted by Hampshire County Council in 2024 which sets out a vision for future transport and travel infrastructure.

3.17 The Havant Local Plan Strategic Transport Assessment (STA) considered the operation of the transport networks in Havant Borough and areas immediately adjacent, and sets out the potential transport related impacts of the proposed Local Plan growth. It suggests interventions to address the identified cumulative impacts specifically resulting from the Havant Local Plan growth (while also taking into account planned growth in surrounding local authority areas), that may have unacceptable impact on highway safety, or severe residual cumulative impacts on the road network.

3.18 Taking the 'decide and provide' approach advocated by LTP4, the STA is based on an approach to transport planning that seeks to deliver the interventions needed to achieve the agreed transport outcomes. The emphasis is on planning for people and places, providing transport choice and easing movement by sustainable modes, rather than providing capacity for private vehicle movements.

3.19 The TA identifies a number of junctions likely to experience increases in delay attributable to the planned growth in the Building a Better Future Plan. Most of these are within Havant Borough, and while the network beyond the borough boundary was also considered, none of the affected junctions lie in Portsmouth. On the eastern boundary, the junction delay considered to be most likely to affect Portsmouth residents is additional westbound delay at the Harts Farm Way teardrop junction connecting to the A27. No interventions are recommended here through the TA, in line with the decide and provide approach.

The recommended interventions have been incorporated in the Havant Infrastructure Delivery Plan.

Agreed Position

3.20 The two Authorities have good road (in the form of the A27, A2030 and London Road), bus and rail links and many people live in one authority area and work in the other. The two authorities will work together and with Hampshire County Council to promote improved sustainable transport connections.

Environment

Agreed Position

3.21 The two authorities will continue to work closely on cross boundary environmental issues. A recent example of this is the provision of proposed enhancement of Southmoor Nature Reserve in Havant in order to provide mitigation for the partial loss of a Low Use Solent Wader and Brent Goose Strategy Site (P136) within the Tipner East Strategic Site in Portsmouth. This enhancement will comprise the following elements:

- Creation of new access off Southmoor Lane;
- Installation of livestock fencing;
- Tree works to improve sightlines;
- New water connection; and
- Installation of water troughs

3.22 The Councils also support the provision of joined up open space and environmental mitigation that cross the boundary between the authority areas to create a wider corridors linking green infrastructure in Havant and Portsmouth centred on Portsdown Hill.

3.23 The two authorities will continue to work positively together as part of wider sub regional partnership work including nutrient neutrality and biodiversity net gain through the Solent Mitigation Partnership and recreational disturbance through Bird Aware Solent.

4. Signatories

4.1 Both parties agree that this statement is an accurate representation of matters discussed and issues agreed upon.

4.2 Both parties agree that they have engaged positively on an ongoing basis both bilaterally and multilaterally through the Partnership for South Hampshire and group of South East Hampshire Authorities and that on this basis the Duty to Cooperate has been met.

4.3 Both parties agree that there are no substantial areas of disagreement between the parties relating to the emerging Portsmouth Local Plan and will both continue to work proactively on the key strategic cross boundary issues identified in this SCG.

	Signed: 	Signed: <i>Tim Guymer</i>
	Name: Lucy Howard	Name: Tim Guymer
	Position: Head of Planning Policy	Position: Head of Planning and Growth
	Portsmouth City Council	Havant Borough Council

	Date: 01-10-26	Date: 05-10-25
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Appendix 1: Tracked changed version of the Policy 7: Amount of Employment

Policy 7: Amount of Employment

Why the policy is needed

Addressing employment need

- 2.112 National guidance indicates that a robust evidence base is needed to understand existing and future business needs which is to be kept under review to reflect local circumstances and market conditions. The Employment Land Review (ELR) 2024 and the ELR Addendum 2026 is consistent with the methodology for undertaking an economic needs assessment as prescribed by Planning Practice Guidance (PPG) which requires the consideration of a number of approaches to deriving the employment requirements: past take up, labour demand and labour supply.
- 2.113 ~~For industrial need, t~~The ELR identifies a minimum need for new industrial and warehousing floorspace of 146,213 sqm (Light Industrial, General Industrial, Storage and Distribution) based on past trends (over the most recent five year period). This reflects the level of demand seen in the recent take up of premises in the property market, as well as the recent redevelopment of existing industrial sites (where earlier on-site losses of traditional employment uses were not accounted for).
- 2.114 On this basis, the ELR states there is an industrial and warehousing net need in the Borough of over 146,000 sqm.
- 2.115 For office floorspace, Havant's office market continues to be weak with no sign that developer confidence is close to a return. The latest Valuation Office Agency (VOA) data shows that existing office floorspace in Havant has shrunk from close to 100,000 sq m in 2022 to just over 80,000 sq m in 2025. ~~with t he ELR identifying a range for office need over the plan period.~~ The ELR states that recovery for the office sector in the sub-region is likely to be felt first in the larger established office areas such as the City of Portsmouth, and with Portsmouth being able to accommodate office related labour supply growth in the short to medium term, supporting office growth within the same economic market area is clearly a pragmatic response to Havant's lack of market interest and lack of land supply available for office use. ~~Nonetheless, t~~The Council's Regeneration and Economic Strategy seeks to promote a stronger economy and diversify the Borough's town centres. The ELR Update identifies a range for office needs over the plan period based on different methodologies. It recommends that the need figure taken forward in the Local Plan should be 36,000 m2sqm in the Borough which is likely to arise in the middle and toward the end of the Plan period. Due to the lack of suitableavailable sites for office development in the Borough tthe ELR identifies that office provision would be needed to provide for an improved market and flexibility in market conditions, though acknowledging that it may be better to work with neighbouring authorities, particularly Portsmouth City Council, to address particularly the short termoffice need.

- 2.116 On this basis, the ELR concludes that there is an office net need in the Borough of around 36,000 sqm in order to support high end economic growth.
- 2.117 ~~On this basis, the ELR states there is an industrial and warehousing net need in the Borough is over 146,000 sqm.~~

Employment land supply

- 2.118 The Council's Strategic Housing and Economic Land Assessment (SHELAA) identifies the quantum and suitability of sites which can be provided to address the Borough's need for employment development. Havant Borough does ~~have~~ sufficient available land to meet its ~~economic-industrial warehousing~~ need ~~s~~. ~~Though~~ the existing employment areas will support the replacement and redevelopment of existing buildings and intensification of employment uses within these areas.
- 2.119 The Borough has a strategic site at Dunsbury Park which was designated as a Freeport Tax Site as part of the Solent Freeport in 2022. Several industrial units have already been taken up and occupied within Phases 1 and 2 of the site, with the opportunity to deliver a significant amount of employment floorspace on the remainder of the site. Given the market outlook and lack of Freeport related demand it is concluded as part of the most recent ELR update that any net additional jobs and floorspace from Phase 3 would be available and should be included within the supply available for general market activity.
- 2.120 There is however a lack of promoted sites for office development. The ELR notes that the office market has been challenging for a number of years and that developers are unwilling to invest speculatively in securing land allocations when they do not see a reasonable short-term development opportunity. As such, given the current market weakness and limited viability, any new office development would be in the middle to the end of the plan period, following a plan review.

Policy 7: Amount of Employment

During the period 2022 - 2043, this plan makes provision for at least 146,213 sqm of ~~industrial~~-employment land floorspace (net) across the Borough.

How the policy will be implemented

An employment requirement based on development capacity

2.121 The employment floorspace capacity for the Borough from 2022 to 2043 is shown in the table below.

Sources of employment land supply (2022-2043)	Net floorspace (sqm)
Completions 2022-25	32,216
Planning permissions as of 1 April 2025	70,969
Allocations ¹	45,745
Total employment land supply (from all sources)	148,930

Table 6: Sources of employment land supply 2022-2043

- 2.122 The Borough's assessed ~~employment~~-need for- 146,-213sqm net new industrial and warehousing~~industrial~~ floorspace can be met by a small margin. ~~However given the difficulties highlighted above, there has been no promotion of land for office development as part of the pPlan's preparation and so there are no available sites for future office development. The Council has proactively engaged with its neighbouring areas, both on a bi-lateral and multi-lateral basis with authorities of Portsmouth City, Fareham Borough and Gosport Borough being all located within the Portsmouth-focused Functional Economic Market Area (FEMA)². This work has proved very productive and has resulted in formal offers of assistance from Portsmouth City and Fareham Borough respectively, this has been formalised through Statements of Common Ground³.~~
- 2.123 The SHELAA highlights that the range of sites available to meet employment need favours the industrial and warehouse sectors, reflecting that this is a much stronger market in the Borough compared to the office market. There is industrial supply of over 148,930sqm of floorspace meaning that there is a choice of sites which vary in type, size and location offering a range of opportunities for the market. Compared to the need for new industrial floorspace, there is a surplus in the region of 2,000 sqm but development activity in this sector is expected to remain high and employment sites are limited. This reinforces the need for the Borough to retain all of its existing employment areas, as it will be increasingly difficult to expand the Borough's economic base with limited land availability to provide employment uses elsewhere (Policy 44 - Protecting Employment Uses).
- 2.124 There have been no sites which have been actively promoted for office provision. Whilst the office market is currently poor and unlikely to change in the short term, office development should continue to be directed towards town centre locations as part of the sequential approach. Regeneration proposals within the town centres are therefore encouraged to explore whether office floorspace could be provided as part of a wider mix of uses, particularly in Havant and Waterlooville town centres (Policy 3 - Regeneration).

- 2.125 However, it is important that the Plan provides for flexibility for positive change with improving market conditions. The plan therefore makes flexible allocations that could respond to either source of demand. Indeed, many businesses in Havant Borough occupy premises within existing employment areas comprise a mixture of industrial, warehouse and office uses.
- 2.126 However, in preparing the plan, the Council have been conscious that it is unlikely that the plan can fully meet the need for office development in particular. The Council has proactively engaged with its neighbouring and nearby authorities, both on a bi-lateral and multi-lateral basis with Portsmouth City, Fareham Borough and Gosport Borough being all located within the Portsmouth-focused Functional Economic Market Area (FEMA)⁴. This work has proved very productive and has resulted in formal offers of assistance from Portsmouth City Council (31,264 22,743 sqm of office) -and Fareham Borough Council (19,973 sqm of flexible employment floorspace) respectively, which has been formalised through a Statement of Common Ground⁵ which will be updated before Submission-. Nonetheless, following the most recent evidence base to support this Local Plan, only the office need would be met through Statements of Common Ground.
- 2.127 In discussing the need for all types of employment development, the Southeast Hampshire Local Authorities have been mindful of the types of employment unmet need, the pull that Portsmouth City – particularly the city centre – will have on the office market and the Local Government Review process and its interaction with future local plans. In particular, the need in Havant is focussed towards the latter half of the plan period, following the emergence of a new unitary authority which will cover all of Southeast Hampshire. As such, the offer from Portsmouth City Council is a logical approach, reflecting an approach to planning for development over the FEMAfunctional-economic area and future local government geography.