



Development Capacity Background Paper

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1. Introduction

- 1.1. Providing for objectively assessed needs for development is a crucial function of the Borough's new Local Plan – the Building a Better Future Plan. Given that the Council anticipates being an authority which is unable to meet its identified development needs, this paper sets out the Council's approach to planning for local development needs as far as is sustainable within the Borough's environmental limits.
- 1.2. This background paper draw together various standards of evidence base including:
 - Constraints Study
 - Housing Needs Analysis
 - Employment Land Review
 - Strategic Housing and Economic Land Availability Assessment
 - Sustainability Appraisal
- 1.3. The Council previously progressed a Local Plan which was withdrawn from Examination in 2022. This paper responds to a number of the previous Local Plan Inspectors' Interim Findings in respect of housing supply¹. The following evidence base papers and policy documents respond to those relevant matters and are considered in detail below:
 - Town Centre Regeneration Sites Report
 - Waterlooville Town Centre Masterplan Supplementary Planning Document
 - College Road Housing Sites Heritage Assessment and Settings Study
- 1.4. Other identified development needs are considered elsewhere in the Council's evidence base including the Infrastructure Delivery Plan; Open Space Strategy; Play Pitch Strategy and Indoor Built Sports Facility Strategy; and Renewable Energy Capacity Study.

¹ Paragraphs 51 and 52 of the Inspectors Interim Findings Report. Available at: <https://www.havant.gov.uk/planning-services/planning-policy/local-plan/havant-borough-local-plan-2036-withdrawn-local-plan>

2. The need for development

- 2.1 Paragraph 11b) of the 2024 National Planning Policy Framework (NPPF) indicates the starting point for local plans is to provide for the objectively assessed need for development unless:

“....areas or assets of particular importance provide[s] a strong reason for restricting the overall scale, type or distribution of development in the plan area.”

- 2.2 Footnote 7 identifies the areas or assets of particular importance that may restrict development.

Housing need

- 2.3 The NPPF expects strategic policy-making authorities to follow the standard method in the Planning Practice Guidance (PPG) which identifies housing need². The standard method was updated in December 2024, and indicates a housing need figure of 892 dwellings per annum for Havant Borough³. This results in a total need figure of 17,840 dwellings over the plan period (2023-2043).
- 2.4 Whilst the 2021 submission Local Plan indicated how Havant Borough could just about meet overall housing need (under the previous standard method), this relied on a significant source of housing supply being delivered from town centre regeneration. At the start of the current plan making process, it was anticipated there would be:
- A need to provide stronger evidence of the deliverability of regeneration sites and a number of greenfield sites; and
 - A lack of further development sites given the small and urbanised nature of the Borough.
- 2.5 The Borough has since seen a further rise (73%) to its housing need with the publication of the new standard method in December 2024.

Affordable housing need

- 2.6 The Council's Housing Needs Analysis provides a PPG compliant assessment of affordable housing need, and anticipates a gross need for around 601 affordable homes per annum over the period to 2043. When taking supply into account (based on the Council's data), it is estimated that approximately 231 affordable homes could be available each year which means that there is a residual net need for 370 affordable homes per annum.
- 2.7 The analysis assumed a standard method figure of 516 dwellings per annum in Havant at the time of its preparation in late 2022. The Council has subsequently undertaken further work which indicates the Borough will not be able to meet its full objectively assessed need, indeed it would not have been

² Paragraph: 004 Reference ID: 2a-004-20241212 Revision date: 12 12 2024

<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need>

³ See page 2 of the Five Year Housing Land Supply Update (December 2024)

<https://www.havant.gov.uk/planning-services/planning-policy/local-plan/local-plan-evidence-studies-and-strategies>

able to meet a need of 516 dwellings per annum. It is therefore intended to refresh this element of the evidence base to inform the Pre-Submission Local Plan.

Economic development need

- 2.8 The Council's 2024 Employment Land Review⁴ (ELR) provides an up to date assessment of the Borough's economic needs reflecting local circumstances and market conditions, informed by engagement with local property agents and developers.
- 2.9 The ELR identifies a need for industrial and warehousing floorspace of 140,000 sq. m based on past trends over the most recent five year period. For office floorspace, the ELR indicates there is a need for 36,000 sq. m new net floorspace to offer the potential for inward investment and flexibility.
- 2.10 Significantly, since the previous Local Plan, Dunsbury Park has been confirmed as a Tax Site as part of the Solent Freeport. Additional floorspace delivered through the Tax Site designation as part of Phase 3 is designed to generate net additional demand in addition to the objectively assessed need for the Borough. As such, additional floorspace provided at Dunsbury Park would not be considered to represent delivery against local need.

⁴ <https://www.havant.gov.uk/planning-services/planning-policy/local-plan/local-plan-evidence-studies-and-strategies>

3. The land supply for development

- 3.1 The previous Local Plan Inspectors' indicated that if the Council was unable to meet its housing need, then it would be necessary to show that it was an authority unable to sustainably meet its development needs in accordance with Paragraph 11 b) of the NPPF.
- 3.2 The Constraints Study⁵ provides a key piece of evidence in responding to this matter.

Constraints Study

- 3.3 The Constraints Study⁶ provides an assessment of the Borough's constraints, and illustrates the challenge the Borough has in meeting its development needs.
- 3.4 The Constraints Study concludes the Borough is exceptionally constrained. The Borough has multiple competing constraints:
- The National Landscape designations and their settings
 - Chichester Harbour National Landscape (previously Area of Outstanding Natural Beauty (AONB))
 - The South Downs National Park
 - Coastal constraints, particularly in the southern part of the Borough
 - Flood risk
 - Ecology – where land is functionally linked to the Chichester and Langstone Harbours Special Protection Areas.
- 3.5 In assessing how constrained the Borough is, the study identifies areas of least constraint. However, in practice many of these sites have been previously proposed and/or now proposed for allocation in the Draft Building a Better Future Plan – notably that of the Southleigh strategic site and Dunsbury Park. In addition, Havant Thicket Reservoir and Brockhampton West are not available for residential or commercial development.
- 3.6 The Study notes that the quantum of undeveloped land in Havant Borough is more reflective of a London Borough or City Council than a rural district. Since the Borough's designation in 1973, the Borough has seen extensive growth that has pushed the extent of the built up area up to most of its administrative boundary. The amount of land left undeveloped in Havant Borough is less than 25%. Within a Hampshire context only Southampton, Rushmoor, Portsmouth and Gosport have less undeveloped land.
- 3.7 The purpose of the Constraints Study was to consider how constrained the Borough is, particularly relative to neighbouring authorities. Its role is not to allocate land for development, nor determine the quantum of development that can be delivered within the constraints that exist. That is

⁵ <https://www.havant.gov.uk/planning-services/planning-policy/local-plan/local-plan-evidence-studies-and-strategies>

⁶ <https://www.havant.gov.uk/planning-services/planning-policy/local-plan/local-plan-evidence-studies-and-strategies>

addressed in the Council's Strategic Housing and Economic Land Availability Assessment and Sustainability Appraisal.

Strategic Housing and Economic Land Availability Assessment (SHELAA)

- 3.8 The Council's Strategic Housing and Economic Land Availability Assessment (SHELAA) provides a site by site assessment of land that is available meet development needs. It provides a high level assessment of what sites in the Borough are suitable and available for development, and whether development is deliverable on that site. Where these three criteria are met, a site is considered to be 'developable.' The assessment does not, however determine whether a site should be allocated.
- 3.9 Given the likely shortage of land for development, the SHELAA recognises the need to make the most effective use of land in calculating site yields. It has regard to potential policy changes which could impact on the suitability of a site or broad location e.g. undeveloped gaps between settlements.
- 3.10 Nevertheless, the SHELAA concludes that there is a developable housing supply of 7,981 dwellings, and an economic development supply of 123,775 sq. m of floorspace. Though the SHELAA does not take account of the development strategy, nor the Sustainability Appraisal process which is undertaken to determine whether a site should be allocated. The Plan identifies a developable housing supply of 7,218 dwellings during the plan period.
- 3.11 The assessment demonstrates that even if all the developable sites were to come forward for development, there is insufficient land available to meet development need by a wide margin. Even after taking account of potential local policy changes, it will not be possible to meet development needs within Havant Borough.

The Development Strategy and Sustainability Appraisal

- 3.12 The development strategy in the Local Plan sets out the strategic direction and local priorities for the use of land and development in the Borough to 2043. It guides the pattern, quantity and quality of development during the plan period.
- 3.13 A total of four potential development strategies were considered through the Sustainability Appraisal, covering a broad spectrum from a full environmental and brownfield development focus to a full housing delivery focus with few environmental considerations. These are set out in more detail in the Sustainability Appraisal.
- 3.14 The SA table below shows the expected housing supply under each of the strategy options.

Housing Supply 2023-2043 (number of dwellings likely to be delivered under each development strategy option)				
Sources of housing supply	Option 1	Option 2	Option 3	Option 4
Completions 2023/24	368	368	368	368
Commitments	1,142	1,142	1,142	1,142
Broad locations considered suitable under the strategy option	1,003	2,406	2,406	2,406
Site allocations considered suitable for allocation under the strategy option	821	1,906	2,669	4,282
Small sites with the urban area	29	37	37	37
Windfall	1,360	1,360	1,360	1,360
Total housing supply	4,723	7,218	7,981	9,594
Supply against standard method plan requirement of 17,840	(13,117)	(10,622)	(9,859)	(8,246)

- 3.15 Strategy Option 2 represents the proposed development strategy and reflects Table 5 in the Draft Local Plan. This indicates there is an unmet need figure of 10,622 over the plan period. However, crucially, none of the options demonstrate that, by a wide margin, it is possible to achieve delivery of the total need for housing, as set out under the standard method.
- 3.16 The chosen development strategy combines and balances key national and local objectives in the most effective way and overall represents an appropriate strategy, when considered against the alternatives. The spatial distribution of development planned for through the chosen option focuses on the existing built areas across the Borough, notably Havant and Waterlooville town centres and less constrained greenfield land. Flood risk is identified as a key constraint and on this basis greenfield land on Hayling Island is not being put forward for development. Due to the risk to the single access road on and off the island, this includes greenfield sites which may not themselves be at risk.

Housing Land Supply in the Draft Plan

- 3.17 Taking this strategy and the available development land in Havant Borough into account, the draft plan shows the housing capacity for the Borough from 2023 to 2043. The trajectory attached at Appendix 1 provides an indicative trajectory and a detailed version of Table 5 on the sources of housing land supply included in the Draft Building a Better Future Plan. This indicates that a total housing supply of 7,218 dwellings between 2023 to 2043 which results in a realistic capacity figure for Havant Borough equivalent to 361 dwellings per annum.
- 3.18 Against an objectively assessed need figure of 17,840 dwellings, the Borough therefore has an unmet need figure of 10,622 dwellings. Whilst acknowledging that this represents a very high level of unmet need in identifying sites which are suitable for housing, the Council has, and will continue to, leave no stone unturned to identifying sites which are suitable for addressing housing need.

Duty to Cooperate

- 3.19 Havant Borough Council is a member of the Partnership for South Hampshire (PfSH), which was originally formed in 2003 as the Partnership for Urban South Hampshire. 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 South Hampshire.
- 3.20 PfSH has a strong track record in collaborative working to achieve common goals in South Hampshire. The Partnership was heavily involved in the production of a sub-regional development strategy that formed part of the South East Plan. The ethos of collaborative planning has continued in South Hampshire since the abolition of regional planning and the revocation for the South East Plan in 2013.
- 3.21 The PfSH Spatial Position Statement was approved by the Partnership's Joint Committee in December 2023. It aims to provide guiding principles for local plans to help deliver sustainable development within South Hampshire. However, it is not a statutory upper tier plan with which future local plans will need to conform. It does however help inform the preparation and strategic coordination of plans under the duty to cooperate.
- 3.22 Table 1 of the 2023 PfSH SPS provides a comparison of housing need and supply for each authority in the sub-region. This shows that there was an estimated shortfall of 11,711 dwellings within the PfSH area between 2023 – 36, including unmet need arising from Havant Borough as a Local Authority. Planning to 2036 does not provide for a fifteen year time horizon and therefore in practice, local planning authorities are planning for beyond this period. This position also pre-dates the publication of the 2024 NPPF and the revised standard method in December 2024. As such, the extent of the shortfall and unmet need arising from individual districts is expected to increase.
- 3.23 In March 2024, Havant Borough formally requested assistance from the formally neighbouring authorities in anticipation of not being able to meet identified housing need:
- Chichester District Council
 - East Hampshire District Council
 - Portsmouth City Council
 - The South Downs National Park Authority; and
 - Winchester City Council.
- 3.24 In addition, the following local authorities were also notified given these authorities form part of the same housing market area within PfSH:
- Fareham Borough Council
 - Gosport District Council
- 3.25 Winchester City Council's Proposed Submission Local Plan (Regulation 19) includes an 'unmet needs allowance' of about 1,900 dwellings to assist in meeting the unmet needs of neighbouring authorities, including Havant. The current unmet need allowance for Havant Borough, which is subject to examination, is 1,330 dwellings.
- 3.26 The following table summarises the resulting reduction in unmet need:

Housing need and supply position for Havant Borough		
Housing need based on standard method		17,840 (892 dpa)
892 dwellings per annum (dpa) x 20 years = 17,840		
Total housing supply included in the plan		7,218 (361 dpa)
Sources of housing supply (2023-2043)	Number of dwellings	
Completions 2023/24	368	
Large site commitments as of 1 April 2024 (sites delivering 10 dwellings or more)	870	
Small site commitments as of 1 April 2024 (sites delivering 9 dwellings or less)	137	
Older persons' housing commitments as of 1 April 2024	135	
Broad locations	2,406	
Allocations	1,906	
Other SHELAA sites within the urban area ⁷	37	
Windfall	1,360	
Total housing supply	7,218	
Unmet need resulting from plan		-10,622
17,840 – 7,218 = 10,622		
Total housing supply in the plan combined with unmet need allowance of 1,330 in WCC's Submission Local Plan		8,548
7,218 + 1,330 = 8,548		
Unmet need including allowance from WCC's Submission Local Plan		-9,292
17,840 – 8,548 = 9,292		

3.27 A number of authorities, notably Chichester District Council and Portsmouth City Council, have progressed local plans that do not meet their housing need in full. They are not therefore in a position to assist Havant Borough in addressing its unmet housing need.

⁷ Sites with an identified development capacity of 20 dwellings or less (falling below the site allocation threshold) as shown in the trajectory – see Appendix 8 of the Strategic Housing and Economic Land Availability Assessment <https://www.havant.gov.uk/planning-services/planning-policy/local-plan/local-plan-evidence-studies-and-strategies>

- 3.28 Further detail will be set out in the Duty-to-Cooperate Statement and bi-lateral Statements of Common Ground alongside the Pre-Submission consultation for the Local Plan.

Employment Land Supply in the Draft Plan

- 3.29 The following table provides a more detailed version of Table 6 in the Draft Local Plan on the sources of employment land supply 2023-2043 included in the Draft Building a Better Future Plan.

Sources of employment land supply 2023-2043	Borough area	Net floorspace
Completions 2023-24		
Langstone Park, Phase 2B	Havant	11,290
Dunsbury Park, Phase 1 Plot 5	Havant	6,877
Completions 2023-24		18,167
Planning permissions as of 1 April 2024		
Former Colt Site	Havant	2,860
Unit 3, Station Approach		620
Planning permissions as of 1 April 2024		3,480
Allocations		
Langstone Technology Park	Havant	49,000
Dunsbury Park, Phases 1 and 2	Havant	28,648
Gas Holder Site, Downley Road, New Lane	Havant	3,760
Waterloo Park, Elettra Avenue	Waterlooville	12,000
Interbridges East	Emsworth	2,300
Interbridges West	Emsworth	2,200
Gas site, Palmers Road	Emsworth	1,920
Allocations		99,828
Broad locations / areas of search for office provision		
Town centres	Havant and Waterlooville	2,300
Havant and Waterlooville town centre broad locations / areas of search		2,300
Total employment supply (from all sources)		123,775

- 3.30 The Employment Land Review indicates the industrial market is strong across the Borough, but the market is constrained due to low levels of availability. The potential site allocations could help to address some of those supply constraints, but the Dunsbury Park Freeport Tax Site status means that the floorspace supply from Phase 3 cannot be relied on to meet the general market demand.

- 3.31 Supply is further constrained with sites that are no longer available to meet demand. Kingscroft Farm (SHELAA Refs HA20 and ED09) and Brockhampton West (Ref ED14) have historically formed part of the Borough's portfolio but there is no longer a willing landowner to bring it forward for employment use.
- 3.32 Against an objectively assessed need figure of over 175,000 sq. m net new floorspace, the Borough has an unmet need of over 50,000 sq. m as shown on the table below.

Overall demand and supply	2023-43 Sq m (GIA)
Industrial demand	139,140
Office demand	36,059
Gross demand	175,199
Industrial supply	121,475
Office supply	2,300
Total supply	123,775
Balance over (under) supply	-51,424

Duty to Cooperate

- 3.33 As set out above, in formally requesting assistance from neighbouring authorities in respect of housing need, the Council also outlined that it had commissioned an Employment Land Review. It highlighted that the Council would keep neighbouring authorities up to date on the progress of this evidence base in the event that the authority would also need to request assistance in meeting unmet employment need.
- 3.34 However, it was confirmed that the Borough had insufficient employment land to meet its development need at a relatively late stage in the production of the Draft Local Plan. As such, there will need to be continuing discussions with neighbouring authorities in respect of unmet employment need. This will be documented through forthcoming Duty-to-Cooperate Statement and bi-lateral Statements of Common Ground alongside the Pre-Submission consultation for the Local Plan.

4. Deliverability of housing supply

- 4.1. In embarking work on the new Local Plan, a comprehensive review of all sites and broad locations was undertaken through the Strategic Housing and Economic Land Availability Assessment. An objective assessment of all developability of all sites was undertaken including site phasing and where off-site mitigation required. Where relevant, the Council commissioned further evidence and these are considered in turn below.

Havant Town Centre, the Civic Campus and Leigh Park Centre

- 4.2. Gillings Planning undertook an assessment of a range of sites spread across the sub-areas of Havant Plaza (the Civic Campus) and Havant Town Centre and Leigh Park Centre which can be found in the Town Centre Appraisal Sites Report. It is concluded that 843 dwellings, could be provided across the appraisal sites that are genuinely developable during the plan period. This is summarised in the table below.

Broad Location / Site Name	No of Units
Havant Town Centre	
Bulbeck Car Park (Site I)	54 ⁸
Market Parade and Car Park (Site J)	574 ⁹
Subtotal	628
Civic Campus	
Central Car Park North (Site E)	71
Central Car Park South (Site F)	67
Job Centre (Site H)	32
Subtotal	170
Leigh Park Centre	
Tidworth Road Car Park	45
Subtotal	45
TOTAL	843

Waterlooville Town Centre

- 4.3. The Council is progressing a draft Supplementary Planning Document for Waterlooville Town Centre which will provide a long-term framework for regeneration and development. The

⁸ The Council's Cabinet report dated 6 November 2024 confirms the preferred developer proposes 54 units on the site.

⁹ Excludes separate option for Market Parade Car Park (Site K) to deliver 91 dwellings which is included in Site J to avoid double counting.

masterplan identifies opportunities on the periphery of Waterlooville town centre for residential led development.

- 4.4. Appendix 3 of the Masterplan provides a capacity study to identify the amount of development which can be achieved across a number of sites, which indicates an overall capacity of **337 dwellings**.

Site Name	No of Units
Waterlooville Police Station	69
Wellington Way	166
Queen's Parade South	28
The Precinct	15
Curzon Rooms	20
Queen's Parade North	12
Victoria Road	9
Stakes Hill Road	18
TOTAL	337

Campdown

- 4.5. Campdown (Allocation 25 in the Draft Building a Better Future Plan), is currently subject to planning application reference APP/23/00488 for a mixed use development comprising 628 dwellings, community centre, allotments, and public open space.
- 4.6. In 2022, the previous Local Plan Inspectors recognised that parts of the site are identified as a primary support area and secondary support area for Solent Waders and Brent Geese, and that the site has particular importance for Curlews. In that regard, Natural England previously expressed significant concerns as to whether its function could be adequately replaced elsewhere
- 4.7. The site promoters (Dandara) have subsequently submitted details of a mitigation site forming part of Northney Farm which is currently subject to planning application reference APP/25/00071. The land is proposed to be safeguarded under Policy 4 in the Draft Building a Better Future Plan.
- 4.8. Whilst the application is not yet determined, Natural England has raised no objection to the proposals which are intended to serve as mitigation for the loss of SWBGS sites under planning application reference APP/23/00488 subject to the appropriate mitigation being secured via appropriate planning condition and/or obligations.
- 4.9. Separately, there are three Scheduled Monuments within and/or in close proximity to Campdown, notably that of a scheduled Roman villa and part of a Roman road. The previous Local Plan Inspectors' noted Historic England's advised that a Settings Study would need to be undertaken to fully assess the contribution of the setting of the of the Scheduled Monuments and their significance in order to demonstrate that development could be achieved on the site.

- 4.10. In response Purcell undertook a Heritage Statement & Setting Study on the Council's behalf which included of the two College Road Potential Housing Sites: Campdown and South Downs College Car Park. The Study includes an assessment of the impacts on the setting and the significance of the scheduled monuments, capacity for change and importantly, mitigation measures which should be incorporated into the development proposals. These have been incorporated into the Allocation Requirements (Allocation 25), in consultation with Historic England.

5. Summary

- 5.1. Havant Borough has identified its objectively assessed need for housing and economic development, but it is not possible to meet them in full. The Borough is exceptionally constrained, and land availability significantly limit its ability to address its development need within its boundary. The Council has however left no stone unturned to meet as much of its development need as sustainably possible within the context of the environmental constraints.
- 5.2. Four development strategy options were considered and assessed ranging from a fully brownfield focussed option seeking to fully maximise environmental benefits, to a housing delivery and market led option. Even if the Council pursued a fully housing delivery driven strategy there would be a significant shortfall in housing supply against the Borough's standard method housing need figure. However, there is a need to balance the need for housing against other objectives in relation to meeting the challenges of climate change, flood risk and coastal erosion, together with conserving and enhancing the natural environment whilst creating healthy and safe communities and promoting sustainable transport. The Council's Sustainability Appraisal demonstrates that the proposed development strategy effectively balances a whole range of objectives, including delivering homes and other development.
- 5.3. The Strategic Housing and Economic Land Availability Assessment, together with the Sustainability Appraisal established a capacity based requirement for both housing and employment development over the plan period. This is in the context of the changing demand for land and the need to regularly review allocations in the context of market signals. However, it has also been in the context of the Dunsbury Park Freeport Tax Site designation, which is designed to generate net additional demand, in addition to objectively assessed need for development.
- 5.4. Given the extent of unmet need for development which cannot be met within the Borough's boundary, there will need to be a continuing dialogue with neighbouring authorities under the duty to cooperate. Whilst the Council may be able to rely on an unmet housing need allowance from Winchester City Council, the Plan has not yet successfully passed through Examination and cannot be relied upon at this stage. On this basis, discussions with Winchester and other neighbouring authorities will need to continue to be documented through forthcoming Duty-to-Cooperate Statement and bi-lateral Statements of Common Ground alongside the Pre-Submission consultation for the Local Plan.

Appendix 1: Indicative Housing Trajectory

See accompanying spreadsheet



Havant
BOROUGH COUNCIL