

# HOUSING DELIVERY TEST ACTION PLAN



12 June 2025



**SOUTHAMPTON**  
CITY COUNCIL

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## **Executive Summary**

1. The Housing Delivery Test is an annual monitoring test undertaken by Government to see if the number of homes being delivered by each Local Planning Authority over a rolling three-year period matches the authority's housing target for the same period. If housing delivery falls below 95% of the overall target then consequences are applied, as specified in the National Planning Policy Framework (NPPF)<sup>1</sup>, to try and remedy this.
2. In the Housing Delivery Test measurements for 2018 through to 2021, Southampton had regularly exceeded 100% delivery each year as show in Table ES.1. However, when the 2022 measurement was published it indicated that delivery had fallen for the first time below 100% of the overall housing target. With a measurement of 75%, Southampton City Council was required to prepare an Action Plan as well as apply a 20% buffer to its five year housing land supply calculations.
3. Unfortunately, in the Housing Delivery Test 2023 Measurement that was published in December 2024, it was clear that housing delivery has continued to fall compared to required levels. During the relevant period which covered 2020-21 to 2022-23 housing delivery fell to 50%. This means the Council is required to apply the presumption in favour of sustainable development when considering applications for new housing development in addition to still applying the 20% buffer to the five year housing land supply. The Council is also required to update last year's Action Plan to further explore the reasons why housing delivery has fallen below required levels and to update on the progress of actions that are expected to improve delivery levels in the future.

**Table ES.1:** Southampton's Housing Delivery Test results since the Test was first introduced

Measurement Year	Result	Consequence
2018	120%	None
2019	149%	None
2020	129%	None
2021	138%	None
2022	75%	Apply 20% buffer and prepare Action Plan
2023	50%	Apply presumption in favour of sustainable, apply 20% buffer and prepare updated Action Plan

4. The reasons why housing delivery can fall below required levels are complex, interlinked and multi-faceted. It is important to note that many of these reasons can lie outside of the Council's control and there is a responsibility for all stakeholders involved in housing delivery, including the Council, other public bodies, landowners, developers, and infrastructure providers, to work together to address these.
5. It is also important this result is seen in context with many local authorities in the South Hampshire sub-region having seen reductions in their performance in the Housing Delivery Test 2023 measurement. Notably, delivery is below 95% for the majority of member authorities of the Partnership for South Hampshire.

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<sup>1</sup> Available at: <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

6. The Council has identified the key barriers to housing delivery that may have contributed to the result recorded in the Housing Delivery Test 2023 Measurement. These include:
- Post-commencement delays on some strategic sites which were expected to deliver homes during the years covered by the 2023 measurement. In addition, some of the residential towers proposed on these strategic sites are no longer being brought forward by the developer for reasons including viability and changes in buyer preferences away from apartments.
  - National planning policy changes impacting the way housing need is calculated meaning Southampton's housing target has increased significantly to levels above that planned in current Development Plan Documents. However, there is insufficient supply of available land to meet these increased targets. This is in part due to the city's tight boundaries and built-up nature, meaning there is a lack of available development land. Land which is available is almost entirely brownfield land which is usually more complex to deliver.
  - Development viability is challenging in the city due to most development sites being located on brownfield land that either has high Existing Land Use Value or significant remediation requirements. However, Gross Development Value is often significantly lower than elsewhere in Hampshire and the wider South East region. Moreover, substantial rises in build costs plus the need to mitigate impacts on protected ecological sites have further added to the viability burden.
  - The Covid-19 pandemic interrupted construction due to lockdowns, social distancing rules and staff absence. Whilst housing targets were reduced for the 2023 measurement to account for the impacts of the first national lockdown where no work on construction sites could take place, the impacts of the pandemic have been felt over a much longer period.
  - The need for developments to demonstrate nutrient neutrality caused delays whilst suitable mitigation measures were devised that could fulfil the tests of the Habitats Regulations. These mitigation measures were often complex to deliver involving third-party land in neighbouring local authorities and requiring suitable legal agreements.
7. Despite the planning system often being cited as a reason for slow housing delivery at a national level, the Council's Development Management Service continues to perform well permitting significant numbers of homes within prescribed time limits and to a high quality of decision making.
8. To address the potential barriers to housing delivery the Council has put forward the following actions, noting they are limited to those within the Council's ability and direct authority to implement:
- Undertaking a further Call for Sites exercise in 2025 and completing the new Strategic Land Availability Assessment to identify a pipeline of small, medium and large-scale sites.
  - Working with Partnership for South Hampshire and neighbouring Local Planning Authorities to prepare Statements of Common Ground to address strategic cross-boundary issues including strategic housing growth and unmet needs, transport, and environmental issues.
  - Continuing to progress the new Local Plan, the Southampton City Vision, which will include policies to enable increased delivery of new housing.

- Commissioning a whole-plan viability assessment of the Southampton City Vision to ensure balance is achieved between infrastructure, affordable housing and environmental mitigation requirements and development actually being viable.
  - Progressing the regeneration of the Townhill Park Estate through the Affordable Housing Framework.
  - Reviewing the Council's existing homes and landholdings to improve the quality of existing homes and identify opportunities to deliver additional new homes.
  - Delivering with appointed consultants the Southampton Renaissance project, a series of strategy documents which aim to identify key investment opportunities to attract inward investment and encourage new development, including housing.
  - Continuing to support the delivery of nutrient neutrality mitigation measures.
9. These actions will be monitored with the results used to inform the annual review of the Action Plan which will follow the publication of the Housing Delivery Test 2024 Measurement (expected late 2025). In the meantime, where necessary, these actions will be updated or new actions will be added in response to unforeseen issues or new barriers to development, or as a result of changes in legislation or national planning policy.

## **Introduction**

### **What is this Document?**

10. In the Housing Delivery Test 2023 Measurement, housing delivery in Southampton had fallen to 50% of target between the 2020-21 and 2022-23 monitoring years. Southampton City Council is therefore required, by Government, to prepare and publish an action plan, within 6 months of the Housing Delivery Test result. The Council's Action Plan, this document, is intended to identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the Council intends to take to improve levels of delivery.
11. It is important to acknowledge that whilst Southampton City Council, as the Local Planning Authority, has responsibility for allocating land for housing and granting planning permission for new homes, the Housing Delivery Test only focuses on the number of housing completions in the city compared to its housing target. Not all issues that determine whether new homes are built are within the Council's control, therefore this Action Plan cannot address all barriers to housing delivery. It will however focus on those actions that can be delivered by the Council to enable greater housing delivery in the city in future years.
12. The Action Plan is split in five chapters:
  - 1) Housing delivery – background and context
  - 2) Potential barriers to housing delivery in Southampton
  - 3) Actions to improve housing delivery in Southampton
  - 4) Monitoring the Council's progress against the previous Action Plan
  - 5) Conclusions and next steps
13. A final table of actions can be found at Appendix 1.



## **Chapter 1: Housing Delivery – Background and Context**

### **National Housing Delivery**

14. During the 2017 Budget, in an attempt to address challenges with the supply of housing and its implications for affordable housing availability, the Government at that time pledged to deliver 300,000 new homes in England each year by the mid-2020s. However, as shown in Table 1, so far this target has not been achieved. Whilst delivery was increasing year on year towards the target in the late 2010s there was a dip in 2020-21 primarily due to the Covid-19 pandemic and its impacts upon the construction sector. There was some recovery in 2021-22 albeit not to the levels achieved before the pandemic. This then reversed in 2022-23 most likely due to high levels of inflation seen that year due to unwinding of pent-up demand from the pandemic, the war in Ukraine and the fallout from the Government's Ministerial Statement, titled 'The Growth Plan' or more commonly known as the 'mini-budget', in September 2022 that rattled financial markets.
15. Housing delivery remains a key ambition of the new Government that was elected in 2024 which has pledged to deliver 1.5 million new homes by the end of this Parliament in 2029.

**Table 1:** Number of dwellings delivered in England since introduction of the Housing Delivery Test

Monitoring Year	Total No. of Dwellings Delivered in England
2015-16	195,073
2016-17	222,164
2017-18	227,240
2018-19	249,635
2019-20	250,330
2020-21	223,303
2021-22	243,263
2022-23	239,967

### **Southampton's Local Planning Context**

16. Southampton City Council has sought to take a proactive approach to housing delivery in the city, including in its roles as Local Planning Authority and as a major landowner. The Council has worked closely with developers and other landowners to bring forward sites and attract inward investment. This cooperation is crucial given the complexity of development in the city due to its tightly constrained boundaries and nearly all developable land being brownfield.
17. The current Development Plan for Southampton comprises:
  - Saved Policies of the Local Plan Review, (adopted in March 2006 and amended in March 2015);
  - Core Strategy Partial Review (adopted March 2015);
  - City Centre Action Plan (adopted March 2015);
  - Hampshire Minerals and Waste Plan (adopted September 2013); and

- Bassett Neighbourhood Plan (made July 2016).
18. The planned level of housing delivery for Southampton is set out in Policy CS4: Housing Delivery of the Core Strategy Partial Review. It establishes that 16,300 new homes are to be delivered in the City between 2006 and 2026. This equates to an annual average delivery of 815 new homes. However, due to changes in national planning policy, once the Core Strategy Partial Review became five years old in March 2020, all subsequent housing delivery targets have been calculated using the Government's Standard Method for housing need. More information regarding how the Standard Method is calculated and applied can be found in the Planning Practice Guidance on Housing and Economic Needs Assessment<sup>2</sup>.

### What is the Housing Delivery Test?

19. The Housing Delivery Test, first introduced in 2018, is a monitoring activity that assesses the number of new homes built in a Local Planning Authority's area over the previous three monitoring years relative to the local housing requirement for the same period. Under-delivery of new housing relative to this requirement can have consequences for the Local Planning Authority in terms of plan-making, strategic planning work and decision-making. The exact consequences depend upon on the extent of this under-delivery within discrete percentage bands set by the Government and published in the NPPF (paragraph 79). These consequences are summarised in Table 2.
20. Housing delivery is based on the number of net additional dwellings delivered. In addition to traditional dwellinghouses which fall under Use Class C3 of the Town and Country Planning (Use Classes) Order 1987 (as amended)<sup>3</sup>, the Housing Delivery Test also takes into account the delivery of other types of accommodation including residential institutions (Use Class C2), such as care homes, and student accommodation which falls within the Sui Generis Use Class. However, these other types of accommodation are not accounted for on a 1-to-1 basis with C3 Use Class dwellinghouses. Instead, a ratio is used to take account of how much housing these specialist types of accommodation allow to be released into the wider housing market or to be retained as general market housing rather than be converted to specialist accommodation.

**Table 2:** Consequences applied in the Housing Delivery Test based on percentage of homes delivered compared to target housing requirement

Percentage of Homes Delivered Compared to Target	Consequence
100% or more	None
Between 95% and 99%	None
Between 85% and 94%	Prepare Action Plan
Between 75% and 84%	Apply 20% buffer to five year housing land supply and prepare Action Plan
Less than 75%	Apply presumption in favour of sustainable development with regards to policies controlling the location of housing, Apply 20% buffer to five year housing land supply, and prepare Action Plan

<sup>2</sup> Available at: <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>3</sup> Available at: <https://www.legislation.gov.uk/uksi/1987/764>



## Housing Delivery Test Results

21. The Housing Delivery Test measurement for 2023 (covering monitoring years 2020-21, 2021-22 and 2022-23) was published on 12<sup>th</sup> December 2024. Over this three-year period, there was an under-delivery of 1,583 homes in Southampton as set out in Table 3. This amounts to a Housing Delivery Test measurement of 50%. This is inclusive of adjustments made by the Government to the requirements for 2020-21, in recognition of the impact of the Covid-19 pandemic on planning and construction during national lockdowns. The Government reduced the period for the number of homes required in 2020-21 from 12 to eight months. For comparison purposes, Table 3 shows what the original figure would have been in brackets had the Government not applied this adjustment.

**Table 3:** Southampton's Housing Delivery Test Result for 2023 Measurement

	Monitoring Year			Total
	2020-21	2021-22	2022-23	
Number of Homes Required	667 (1,002)	1,029	1,471	3,167 (3,502)
Number of Homes Delivered	745	543	296	1,584
Difference	+78 (-257)	-486	-1,175	-1,583 (-1,918)
<b>Housing Delivery Test Result</b>				<b>50%</b>

22. As a result of this under-delivery, the Council is required to apply the presumption in favour of sustainable development with regards to planning applications for housing, apply a buffer of 20% to its five year housing land supply and to produce this Action Plan, for publication on the Council webpages within six months of the Housing Delivery Test result.
23. Table 4 sets out the Housing Delivery Test results for Southampton since it was first introduced. The Housing Delivery Test Measurement for 2023 is the second time that housing delivery in the city has fallen below 100% and unfortunately shows an even lower result than the 2022 Measurement. This demonstrates that reversing the fall in housing delivery is not a quick fix and the potential reasons for this are explored in the next chapter.

**Table 4:** Past Housing Delivery Test results for Southampton

Housing Delivery Test Measurement	Monitoring Years Covered	Southampton Result	Consequence
2018	2015-16 to 2017-18	120%	None
2019	2016-17 to 2018-19	149%	None
2020	2017-18 to 2019-20	129%	None
2021	2018-19 to 2020-21	138%	None
2022	2019-20 to 2021-22	75%	20% buffer
2023	2020-21 to 2022-23	50%	Presumption

24. It is also important to place Southampton's result in context. As shown in Table 5, only three authority members within the Partnership for South Hampshire (PfSH) sub-region have seen an increase in housing delivery between the 2022 and 2023 Measurements, whilst other members all saw decreases, some significantly so. The number of member authorities where delivery fell below 95% also increased from six to seven. Therefore, Southampton is not alone in experiencing a drop in housing delivery. In the wider South East the number of Local Planning

Authorities that achieved a measurement of 95% or higher dropped slightly from 34 to 33 between the 2022 and 2023 Measurements. In the 2023 Measurement, there were 19 other Local Planning Authorities in the South East, in addition to Southampton, that achieved a measurement below 75%.

**Table 5:** Partnership for South Hampshire Authority Members Housing Delivery Test Results for 2022 and 2023 Measurements

Authority Member	Housing Delivery Test: 2022 Measurement	Housing Delivery Test: 2022 Consequence	Housing Delivery Test: 2023 Measurement	Housing Delivery Test: 2023 Consequence
East Hampshire	112%	None	88%	Action Plan
Eastleigh	156%	None	122%	None
Fareham	42%	Presumption	55%	Presumption
Gosport	65%	Presumption	31%	Presumption
Havant	71%	Presumption	74%	Presumption
New Forest	92%	Action Plan	75%	Buffer
Portsmouth	38%	Presumption	26%	Presumption
Southampton	75%	Buffer	50%	Presumption
Test Valley	189%	None	144%	None
Winchester	154%	None	171%	None

## Housing Delivery Test Action Plan Requirements

25. The Planning Practice Guidance on Housing Supply and Delivery<sup>4</sup> sets out the Government's requirements with regards to Housing Delivery Test Action Plans. It is the responsibility of the Local Planning Authority to prepare the Action Plan, involving relevant stakeholders in the process. There are suggestions as to the types of issues that Local Planning Authorities may wish to review as they seek to understand why under-delivery of new homes has occurred. There are also suggestions as to potential actions that could be considered to address under-delivery. It is stated that Local Planning Authorities are also responsible for monitoring the Action Plan. However, given housing delivery is a collaborative process between many different stakeholders, all stakeholders will have a responsibility in delivering the Action Plan.
26. Within this framework, it is for each Local Planning Authority to determine how their Action Plan is prepared and what issues are covered given these will be specific to local context. The Strategic Planning Team at Southampton City Council have prepared this Action Plan having regard to the Planning Practice Guidance and engaging with a variety of stakeholders, including other Council teams, developers, planning agents and other built environment professionals, including those with expertise on development viability. Chapter 2 presents the Council's analysis of potential barriers to housing delivery in the city. Chapter 3 identifies potential actions that could help address these barriers, including some actions the Council is already undertaking. Chapter 4 sets out progress against last year's Action Plan. Chapter 5 sets out the conclusions of this Action Plan and subsequent next steps. The definitive Action Plan for the coming year, comprising a list of actions and responsible parties is set out in Appendix 1.

<sup>4</sup> Available at: <https://www.gov.uk/guidance/housing-supply-and-delivery>

## **Chapter 2: Potential Barriers to Housing Delivery in Southampton**

27. In line with the requirements set out in the Planning Practice Guidance, this chapter will explore the potential reasons for the under-delivery of new housing in Southampton over the 2020-21, 2021-22 and 2022-23 monitoring years.

### **Potential Barriers once Planning Permission is Granted**

28. The Government's Planning Practice Guidance suggests that Local Planning Authorities should examine potential barriers that delay or prevent schemes coming forward once planning permission is granted. This should also include consideration of whether schemes are being delivered within permitted timescales.
29. As shown in Table 6 there were 636 dwellings that were not delivered during the relevant monitoring years of the Housing Delivery Test 2023 Measurement because the development failed to commence within the timescale conditioned by the relevant planning permission. This represents 31% of the total number of dwellings commenced and 40% of the total number of dwellings completed during the three-year period. It demonstrates that whilst the majority of planning permissions for housing granted by the Council are being delivered, there are a significant number of developments which do not come forward.
30. The number of dwellings that were not delivered in 2020-21 and 2021-22 was reasonably stable albeit a significant increase from 2019-20 where the number of dwellings not delivered was 24. The developments that lapsed in 2020-21 were mostly minor schemes of 9 dwellings or less although three small-scale major schemes ranging from 16 to 25 dwellings also lapsed. In 2021-22, most of the developments that lapsed were minor schemes of nine dwellings or less. Only one major scheme lapsed which was a 120-bed student accommodation scheme. Whilst the reasons for the non-delivery of these schemes have not been investigated on a case-by-case basis given team resource at the time of writing, one potential and likely reason for the non-delivery is the impact of the Covid-19 pandemic. The pandemic caused significant delays in the construction sector and given the uncertainty at this time, small and medium-sized developers who would have taken on these kinds of projects may have decided not to proceed due to perceived risks.
31. In 2022-23, whilst the number of minor schemes that were not delivered was comparable to previous years, there was a notable increase in the number of major schemes that were not delivered. Whilst not every scheme has been investigated for its non-delivery, the Council is aware that for several of these schemes, subsequent alternatives, often with a larger quantum of development, or different tenure mix, have been submitted as a planning application or pre-application enquiry. For example, one of the lapsed schemes in 2022-23 is for the redevelopment of 'The Fire House' music venue on Vincents Walk. The lapsed proposal was for 39 flats and 1,600 square metres of commercial floorspace. This has now been superseded by a new scheme for student accommodation comprising 139 bedrooms and communal facilities. This new scheme was granted planning permission in 2023 and is currently under construction. So, whilst it has taken longer to develop this site, the changes mean that it will yield an additional 19 equivalent dwellings compared to what was previously proposed<sup>5</sup>.

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<sup>5</sup> This is on the basis that the student accommodation scheme would be equivalent to 58 dwellings using the ratio of 2.4 student bedrooms being equivalent to a single dwelling

**Table 6:** Number of dwellings commenced, completed and lapsed during the monitoring years 2020-21 to 2022-23

Monitoring Year	No. of Dwellings Commenced	No. of Dwellings Completed	No. of Dwellings where Planning Permission has Lapsed
2020-21	473	745	129
2021-22	379	543	115
2022-23	1,197	296	392
<b>Total</b>	<b>2,049</b>	<b>1,584</b>	<b>636</b>

32. As shown in Table 7, there are a very limited number of dwellings that have not yet been delivered five years after construction commenced on non-strategic schemes. Notably, the number of dwellings outstanding nearly halved between 2020-21 and 2021-22. Given that these schemes have started, on-site planning constraints and conditions must have been fully addressed meaning it is likely that any reasons for delayed build out are not a planning related issue. Rather, it may be the case that viability, developer finances or some other non-planning related constraint has stalled delivery.

**Table 7:** Number of dwellings outstanding on non-strategic sites more than five years after commencement on a development during the monitoring years 2020-21 to 2022-23

Monitoring Year	No. of Dwellings Outstanding on Non-Strategic Sites
2020-21	30
2021-22	17
2022-23	17

33. Turning to strategic schemes, Southampton has a number of strategic sites that are each proposed or have planning permission for a large number of new dwellings. Whilst housing delivery on sites of this scale will usually take several years, delivery on some strategic sites has taken longer than anticipated. In particular, there are three strategic sites where construction commenced more than five years prior to the most recent monitoring year, 2022-23, and where housing delivery has been slower than anticipated, stalled or will no longer take place.
34. The first of these strategic sites is Centenary Quay which is a large-scale, multi-phase redevelopment of the former Vosper Thornycroft shipyards to create a new mixed-use neighbourhood. The site received hybrid planning permission (ref: 08/00389/OUT) in 2009 for 1,620 dwellings and a mix of commercial and community uses. Details for the first phase of development and proposals for the river's edge were submitted in full, with the remaining proposals submitted in outline. Table 8 shows the rate of delivery at Centenary Quay. Whilst there was an inevitable gap between the grant of planning permission and the delivery of new homes as a result of the need to undertake enabling works, delivery since then has been invariably lumpy. This may in part be attributed to the scheme's housing mix which included a large number of apartment blocks which are usually completed in one go.

**Table 8:** Number of dwellings delivered annually at Centenary Quay since initial planning permission was granted

Monitoring Year	No. of Dwellings Delivered
2009-10	0
2010-11	0
2011-12	102
2012-13	58
2013-14	103
2014-15	137
2015-16	257
2016-17	8
2017-18	110
2018-19	76
2019-20	16
2020-21	87
2021-22	0
2022-23	161
<b>Total</b>	<b>1,115</b>

35. The most recently completed phase of development, delivered in 2022-23, was approved in 2016 and comprised a 27-storey tower containing 161 apartments. Construction of this phase was delayed as the developer sought approval for subsequent changes to the permission, including reconfigurations to alter the dwelling mix and to address new Building Regulations related to fire safety. Although construction on this phase finally began in 2019, there were delays as a result of the Covid-19 pandemic and the developer seeking changes to support the tower being used as a build-to-rent scheme rather than for general sale to individual households. With this completed phase, consequently at the end of the 2022-23 monitoring year, there remain 505 dwellings still to be delivered against the original hybrid planning permission.
36. A final phase of development was submitted to and approved by the Council in 2022. This final phase was for 164 dwellings which means that 341 dwellings with outline planning permission will no longer be coming forward. This is clearly a significant loss to housing delivery in the city which will impact future Housing Delivery Test measurements. The developer has advised that this shortfall in new homes is the combination of a number of factors but primarily the result of a reduction in the number of proposed residential towers on the site (from three to one). This is due to viability, changes in market demand with greater demand for houses than apartments, the need to meet parking demand, and below ground constraints.
37. The Council sees Centenary Quay as one of its premier waterfront sites and has worked closely with the developer and other stakeholders for nearly 20 years to see it implemented. This has included providing effective efforts to resolve planning issues and determining planning applications in a timely manner. However, it is clear from the above analysis that non-planning issues have contributed to delays in delivery and even a reduction in the overall delivery numbers for the scheme.
38. The second strategic site where delivery is taking longer than five years is the regeneration of the Townhill Park Estate. A hybrid planning application (ref: 15/01856/OUT) was granted permission in 2016 to redevelop the estate, including the creation of 665 new dwellings following the demolition of 416 existing dwellings which were considered poor quality stock. The application included details for the first phase of development comprising 276 dwellings.

Whilst demolition work commenced on site in 2017 and 56 new dwellings were completed, since then work has stalled. This is the result of a complex range of issues including site-specific constraints, a need to balance Council budgets noting increasing financial pressures in other services, and the Council's delivery partner leaving the project due to their own resourcing challenges. The Council is now working proactively to reinvigorate the delivery of the new dwellings at Townhill Park Estate as outlined in the next chapter.

39. The final strategic site is the West Quay Phase 3 development site. This site is situated between the West Quay Shopping Centre and The Quays Swimming and Diving Complex and has been proposed for a range of uses over the past two decades to complement its location in the City Centre. Development at West Quay Phase 3 has come forward in various stages including a headquarters office building and a hotel. In February 2014 outline planning permission (ref: 13/00464/OUT) was granted for a comprehensive development of much of the remainder of Phase 3 which would comprise a mix of uses retail, leisure, residential, offices and a hotel. Reserved matters approval was granted later in 2014 for a retail and leisure complex with a substantial area of new public realm and this was completed in early 2017.
40. The residential element of West Quay Phase 3 was intended to comprise of a tower of between 15 and 27 storeys delivering between 140 and 260 apartments. The reserved matters application for this residential tower was required to be submitted within five years of the grant of outline planning permission. Unfortunately, that reserved matters application was never submitted and so an entirely new planning permission would be required to progress the tower. Again, this is a significant loss to housing delivery in the city that could well have come forward to contribute to the figures in the Housing Delivery Test 2023 Measurement. The main reason for the tower not coming forward during the monitoring period was also one of viability, in particular the thin margins that meant the retail and leisure complex could only proceed following an award of £7 million from the Regional Growth Fund. However, the Council remains open to discussions regarding the future of this site.

## Changes to National Policy on Housing Need

41. In the Housing Delivery Test, Local Plan housing need targets are used to calculate the overall number of homes required to be delivered unless the Local Plan is no longer 'up to date'. A Local Plan is considered out of date if more than five years have passed since it was adopted, and there has been a review determining that policies need to be updated, or no such review has been undertaken. This being the case, the number of homes required by the Housing Delivery Test is calculated using the Government's Standard Method approach<sup>6</sup>.
42. The Core Strategy Partial Review was adopted by Southampton City Council in March 2015. With the Council working on a new Local Plan to replace the Core Strategy and other local Development Plan Documents, this meant that from April 2020 the Standard Method would apply in calculating the number of homes required by the Housing Delivery Test.
43. Then, in December 2020, a Written Ministerial Statement was published requiring that for the 20 largest cities and urban centres in England, including Southampton, a 35% uplift would be applied to the housing requirement generated by the Standard Method as part of efforts to

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<sup>6</sup> Available at: <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need>



increase national housing delivery. The Planning Practice Guidance<sup>7</sup> confirmed the 2022-23 monitoring year is the first year the uplift would be applied in the Housing Delivery Test as summarised out in Table 9.

**Table 9:** Number of homes required when calculating Housing Delivery Test

Monitoring Year	Number of Homes Required	Method for Calculating Number of Homes Required
2020-21	1,002 – reduced to 667	Standard Method with reduction by Government to account for Covid-19 pandemic lockdown
2021-22	1,029	Standard Method
2022-23	1,471	Standard Method with 35% uplift for largest cities and urban centres

44. The consequence in using the Standard Method, and the additional cities and urban centres uplift, is that the number of homes required under the Housing Delivery Test is substantially higher than the housing targets the Core Strategy Partial Review and its supporting evidence were prepared to deliver. To meet the number of homes required the Council must therefore rely on increased delivery from previously unallocated sites, which undermines a plan-led system.

### Insufficient Housing Land Supply

45. For new homes to be delivered there needs to be a sufficient supply of land available. This section will explore whether there was a sufficient supply of land during the 2020-21 to 2022-23 monitoring years.
46. Due to resourcing challenges in recent years, Southampton City Council has not recorded a five year housing land supply position on an annual basis. However, Table 10 shows the Council's recorded five year housing land supply position where available from previous monitoring years. The Council's housing land supply increased substantially between 2015-16 and 2019-20 as the supply of deliverable sites was strengthened against the housing target set in the Core Strategy Partial Review.

**Table 10:** Southampton's five year housing land supply

Monitoring Year	Land Supply in Years	Source of Housing Need in Calculating Land Supply
2015-16	5.9	Core Strategy Review
2019-20	8.17	Core Strategy Review
2021-22	4.53	Standard Method with 35% uplift for largest cities and urban centres

<sup>7</sup> Available at:

<https://webarchive.nationalarchives.gov.uk/ukgwa/20241119230327/https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

47. However, as mentioned previously, since the Core Strategy Partial Review was more than five years old, from the 2020-21 monitoring year onwards, the Standard Method must now be used in calculating the housing requirement for the five year housing land supply. For 2021-22 onwards that housing requirement also includes the 35% uplift for cities and urban areas.
48. Consequently, despite the capacity of deliverable sites remaining consistent between 2019-20 and 2021-22, the city's housing land supply figure dropped below the required five years as a result of the now vastly increased housing requirement established by the Standard Method and the cities and urban centres uplift. As the Core Strategy Partial Review did not plan to deliver this many new homes there is an inevitable squeeze on supply exacerbated by the limited amount of available development land within the city in general.

### **Engagement with Stakeholders on Identifying Development Land**

49. The Planning Practice Guidance suggests that Local Planning Authorities explore the level of engagement that took place with key stakeholders during the 2020-21 to 2022-23 period to identify more land and encourage an increased pace of delivery. These stakeholders include landowners, developers, utility providers and statutory consultees.
50. As part of its evidence gathering for the new Southampton City Vision Local Plan, the Council has been preparing a new Strategic Land Availability Assessment (SLAA). To support this, the Council held two Call for Sites exercises, the first between February and May 2020 and a second between August and October 2021. Details were e-mailed to contacts on the strategic planning consultation database, which includes major landowners and agents who are active in the city, as well as statutory consultees, utility providers and those who have expressed interest in planning policy consultations. The details were also published on the Council's website. Those submitting potential development sites were asked to complete a form so that information could be gathered in a consistent manner. This information included size of the site, current land use, ownership details, market interest, utilities access, key constraints and timescales for delivery.
51. Since these were the first Call for Sites exercises since the publication of the previous SLAA in 2013, a number of new potential sites were submitted during the first exercise in 2020, 25 in total. However, whilst 16 submissions were made during the second exercise, only eight of these were new sites that had not previously been identified and assessed.
52. The limited number of new development sites submitted overall suggests that it is not a lack of stakeholder engagement by the Council that is limiting the number of potential housing sites. Rather, it is a lack of available land within the city's already built-up boundaries that is inhibiting new sites coming forward for the delivery of various types of development, including housing.

### **Effectiveness of Development Management Service**

53. The Planning Practice Guidance suggests that Local Planning Authorities should explore the effectiveness of their Development Management service in contributing to the delivery of new homes. This includes whether sufficient planning permissions are being granted and whether they are determined within statutory time limits, as well as whether proactive pre-planning application discussions are taking place to speed up determination periods.

**Table 11:** Dwellings permitted, commenced and completed during the monitoring years 2020-21 to 2022-23

Monitoring Year	Net Dwellings Permitted	Dwellings Commenced	Dwellings Completed
2020-21	1,117	473	745
2021-22	1,135	379	543
2022-23	2,651	1,197	296
<b>Total</b>	<b>4,903</b>	<b>2,049</b>	<b>1,584</b>

54. As shown in Table 11 there were 4,903 net dwellings granted planning permission during the three monitoring years between 2020-21 and 2022-23. This is three times the number of dwellings that were completed during that same time. This strongly suggests that it is not the development management process which is holding up delivery of new homes in the city. This view has further credence given the Development Management Service's strong performance data in recent years as shown in Table 12.

**Table 12:** Percentage of applications determined by year and time limit

Monitoring Year	Major decisions within 13 weeks*	Major decisions over 13 weeks	Minor decisions within 8 weeks*	Minor decisions over 8 weeks	Other decisions within 8 weeks*	Other decisions over 8 weeks
2016-17	70%	30%	51%	49%	55%	45%
2017-18	68%	32%	39%	61%	36%	64%
2018-19	100%	0%	90%	10%	93%	7%
2019-20	100%	0%	90%	10%	97%	3%
2020-21	100%	0%	85%	15%	96%	4%
2021-22	100%	0%	94%	6%	96%	4%
2022-23	100%	0%	93%	7%	96%	4%

\* This includes applications where decisions were reached within an agreed extension of time or other planning agreement

55. In 2016-17 and 2017-18, several staff members left the Development Management Service due to retirement or to explore new opportunities elsewhere outside the Council. With Planning Officers being in high demand, there were delays in recruiting replacements. However, as shown in Table 12, with new Officers in place and staffing levels at full capacity, since 2018-19 there has been a step change in the Development Management Service. This has meant more planning applications are decided within the prescribed time limits of 13 weeks for major planning applications and 8 weeks for minor planning applications. Whilst in 2016-17 and 2017-18 an average of only 69% of major planning applications, and on average less than half of minor planning applications, were determined within prescribed time limits, since 2018-19 100% of major planning applications, and on average over 90% of minor planning applications, were decided within the prescribed time limits. This strongly suggests the speed that applications are determined by the Council is unlikely to be a significant constraint on delivery.
56. Despite this success, a challenge for the Development Management Service in trying to meet the prescribed time limits for planning applications has been delays in receiving comments from statutory consultees. Until these comments are received, officers are limited in the scope of advice they can give to developers regarding amendments needed to make a proposal acceptable so that planning permission can be granted. Moreover, developers may not want to commence making changes until they have a comprehensive understanding of all the changes

required to ensure these are made in a joined-up manner. Overall, the delays in receiving comments from statutory consultees can necessitate extensions of time agreements between the applicant and the Council meaning developments can spend more time in the planning system than they might otherwise need to. However, whilst the Council seeks to engage positively with statutory consultees, most do not sit within the Council. Therefore, the Council's ability to push for comments on planning applications is limited and it is for the statutory consultees to ensure they have adequate resources to respond to applications, including securing further support from the Government where appropriate.

57. Pre-planning application discussions are encouraged in the Planning Practice Guidance to help speed up determination periods by ensuring issues are resolved and key information is provided when applications are submitted<sup>8</sup>. As shown in Table 13, the Council processed a substantial number of pre-application cases during each of the three monitoring years. However, there was a general trend for a gradual reduction in the number of pre-application cases for all types of development during this period.
58. This reduction could be a reflection of the economic challenges brought by the Covid-19 pandemic and other subsequent global crises, such as the war in Ukraine and the disruption to global shipping caused by the temporary blockage of the Suez Canal by the container ship 'Ever Given'. In September 2022 there was also the Government's Ministerial Statement titled 'The Growth Plan', or more widely known as the so-called 'mini-budget', which rattled financial markets, and caused further economic uncertainty. All these factors have contributed to high rates of inflation leading to escalating build costs as well as rising interest rates which have affected household finances and mortgage affordability. These challenges may have led to householders deprioritising home improvements that require planning permission and developers reigning back their project pipelines. Despite these reductions, the number of pre-application cases remain sufficiently high to allow officers and developers to engage in proactive, positive discussions. The reasonably low levels of refusal rates as shown in Table 14 also suggests that many of these pre-application cases were effective in identifying and resolving potential blockers to development or otherwise steering developers away from development which would be inappropriate.

**Table 13:** Pre-application cases by type received between 2020-21 and 2022-23

Monitoring Year	No. of Pre-Apps Received		
	Major Schemes	Minor Schemes	Householder and Other Schemes
2020-21	19	88	221
2021-22	18	67	179
2022-23	15	53	163

<sup>8</sup> Available at: <https://www.gov.uk/guidance/before-submitting-an-application>

**Table 14:** Applications by type and decision between 2020-21 and 2022-23

Application Type	Decision	Monitoring Year		
		2020-21	2021-22	2022-23
Major	Granted	90%	82%	89%
	Refused	10%	18%	11%
Minor	Granted	75%	83%	82%
	Refused	25%	17%	18%
Other	Granted	88%	92%	94%
	Refused	12%	8%	6%

59. The Government assesses the quality of decision-making by Local Planning Authorities based on the number of planning application decisions that are overturned at appeal. This is based on a rolling assessment period each covering two monitoring years. Table 15 shows that the percentage of major and non-major planning application decisions made by the Council that were then overturned at appeal are very low. This indicates that planning policies and material considerations are predominantly being applied correctly in decision making to ensure that appropriate new development can come forward.

**Table 15:** Percentage of application decisions by type overturned at appeal during the biennial assessment periods covering the monitoring years assessed by the Housing Delivery Test 2023 Measurement

Assessment Period	Major Application Decisions Overturned at Appeal	Non-Major Application Decisions Overturned at Appeal
2019-21	3.8%	0.6%
2020-22	2.4%	0.4%
2021-23	0.0%	0.5%

60. Given this evidence, it is clear that the Development Management service is functioning well by providing effective pre-application advice, delivering timely decisions on planning applications and that the quality of those decisions is high. This ensures that developers have certainty in progressing their projects through the planning process and that post-permission issues, which may be outside of the Council's control, are potentially the cause of current under-delivery of new housing.

## Development Viability

61. The Council's suite of adopted Development Plan Documents<sup>9</sup>, along with its Community Infrastructure Levy Charging Schedule<sup>10</sup>, were informed by viability assessments. However, given the age of these documents and their evidence base, it is important that new viability evidence is commissioned to support work on the new Southampton City Vision Local Plan and to determine the level of developer contributions that will be sought for new development.

62. There are several constraints affecting the viability of development in Southampton. Nearly all the development in the city is on brownfield land, most of which has a significant Existing Land

<sup>9</sup> Available at: <https://www.southampton.gov.uk/planning/planning-policy/adopted-plans/>

<sup>10</sup> Available at: [https://www.southampton.gov.uk/media/1rfboqua/charging-schedule2\\_tcm63-364535.pdf](https://www.southampton.gov.uk/media/1rfboqua/charging-schedule2_tcm63-364535.pdf)

Use Value or substantial remediation costs. Unfortunately, the Gross Development Value usually achieved in the city is notably lower than other parts of Hampshire. This is a reflection of local house prices, with the median house price in Southampton at the year ending March 2023 being £258,000<sup>11</sup>. This is the second lowest median house price for districts in the South East region and the 108<sup>th</sup> lowest price out of the 296 districts in England. Despite lower Gross Development Value, build costs in Southampton are similar to the rest of Hampshire and, on certain developments, can even be higher due to the constraints of working in an urban area amongst existing buildings or due to the additional costs associated with constructing tall buildings.

63. The Covid-19 pandemic induced a number of changes in the housing market including the type of property buyers would seek. There is now a greater desire for both indoor and outdoor space, which has prompted buyers to look for more sizeable homes, preferably with a garden. However, many developments in the city, particularly those in the City Centre, have space constraints and are generally brought forward for apartments, with private outdoor space limited to balconies. An increase in rates of working from home means buyers have less need to live in reasonable proximity to their place of work, again leading to less demand for the kinds of apartment developments found in the City Centre. Consequently, the price of apartments in Southampton has broadly plateaued since the pandemic. These difficulties have been cited as one of the reasons two residential towers at the Centenary Quay development are no longer being brought forward by the developer, meaning that fewer new homes will be built on that site overall.
64. A general difficulty across the country, not just Southampton, has been rising build costs exacerbated by the sharp rise in inflation in 2022 for reasons elaborated upon previously including unwinding of demand post-pandemic, the war in Ukraine, the 'mini-budget' and the temporary blockage of the Suez Canal. There also continue to be long-term structural changes as a result of the country's exit from the European Union which has reduced the available pool of construction labour and increased import costs from the continent.
65. The challenge of viability means that many applications are submitted with a viability appraisal to support negotiations in reducing developer obligations. The need for the Council to verify these appraisals with its own consultants, plus the need to negotiate obligations that address a site's unique complexities, means that it can take some time before a developer and the Council reach a mutual agreement on matters. Whilst these negotiations usually take place under an extension of time agreement, they do ultimately add to the time taken before planning permission can be granted.
66. There are also now several environmental mitigation measures that are required under the Habitat Regulations which were not a requirement when the current suite of Development Plan Documents was adopted. Without these mitigation measures planning permission cannot be granted, so they are required to ensure new homes can come forward. That said, they do weigh on overall viability. Examples of these measures include the Solent Recreation Mitigation Strategy which requires residential developments to mitigate their recreational impacts on Special Protection Areas in and around the Solent. Most often this is achieved by a financial contribution to the Solent Disturbance Mitigation Project. A further example is the need to achieve nutrient neutrality, which is described in further detail later in this chapter but can ultimately require the developer to purchase mitigation credits. These mitigation measures add

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<sup>11</sup> ONS, 2024, Median house prices for administrative geographies [Online]. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepricesforadministrativegeographies> [accessed on 31st January 2025]



additional costs to residential development, and it is expected that further environmental requirements, such as Biodiversity Net Gain (BNG), whilst having laudable aims, will make viability in the city even more challenging.

### **Covid-19 Pandemic**

67. The Housing Delivery Test 2023 Measurement covers much of the period when the Covid-19 pandemic was raging across the country and the rest of the world. The pandemic upended usual ways of working at the Council as a result of social distancing requirements, the requirement for new workplace health and safety measures, and multiple lockdowns. Some officer time within the Planning Service was temporarily reallocated to the Council's pandemic response including helping the city's most vulnerable residents. Officers adjusted successfully to working from home, supported by the rollout of new IT equipment. Meetings of the Planning and Rights of Way Panel were moved online so that democratic decision making could continue.
68. The construction industry was severely affected by the pandemic. During the first national lockdown, which commenced in March 2020, many construction sites were closed leading to a pause in the delivery of new homes.
69. This inability to build during the first national lockdown was recognised by Government and consequently the housing requirement between March and July 2020 was deducted from the Housing Delivery Test measurements that covered this period. This means that housing requirements were only counted for eight months in the 2020-21 monitoring year.
70. Once construction work could resume after the first lockdown, regulations on social distancing restricted the number of workers who could be onsite at any given time which would have slowed delivery, as would increased worker absences due to sickness or the need to self-isolate to reduce transmission of the coronavirus. These factors were not recognised in further reductions to the housing requirement.
71. Given the significant reduction in commencements in 2020-21 and 2021-22, the impact of the Covid-19 pandemic will continue to be felt in future Housing Delivery Test measurements.

### **Nutrient Neutrality**

72. Nutrient pollution is having significant impacts on the ecology of various water bodies. Increased levels of nutrients, such as nitrogen and phosphorous, can accelerate the growth of some plants, which use up oxygen and other resources, leading to a detrimental impact on other plants and the wildlife that feed on them. This process is known as eutrophication and is resulting in some protected ecological sites falling into unfavourable conditions. In 2018, a legal decision from the Court of Justice of the European Union, known as the 'Dutch Nitrogen Case', meant that measures to mitigate the impact of nutrients in water bodies can no longer be postponed into the future. Consequently, any development that would have an adverse impact on a protected site by increasing nutrient flows needs to provide mitigation.
73. In 2019, Natural England advised Southampton City Council and other local authorities in southern Hampshire that new developments would need to demonstrate nutrient neutrality to meet the legal tests of the Habitats Regulations. This is because protected sites in and around the Solent, including the Solent & Southampton Water Special Protection Area and Solent

Maritime Special Area of Conservation, are being degraded by increased nutrient levels. Nutrient neutrality is achieved where the nutrient outputs of new developments do not exceed the outputs of the current land use. Where outputs would exceed those of the current land use, then mitigation measures will be needed to reduce the levels of outputs elsewhere within the river catchment.

74. The Council took a pragmatic approach to ensuring new developments could demonstrate nutrient neutrality. Grampian conditions were used to ensure mitigation measures were delivered prior to occupation. Normally, these measures would involve the purchase of mitigation credits from other landowners who had been reducing the nutrient outputs of their holdings. As the local market for credits was starting from scratch it took some time before these credits became widely available. Developers would have delayed building out new homes until they had certainty that mitigation credits were available for their scheme and that it could be built out in accordance with the Habitat Regulations.
75. The most common method for generating mitigation credits has been to reduce the nutrient output of farmland by using less fertiliser, changing farming activities to less nutrient intensive ones such as grazing, or taking the farmland out of production altogether to provide new ecological spaces. There is no such farmland available in Southampton to provide these credits so the Council and developers have been reliant on mitigation credit schemes coming forward in other neighbouring authorities. The Council has been working closely with partners to make progress in this area and has sought to ensure the necessary legal frameworks are in place that allow mitigation measures in other local authority areas to be counted as mitigation in Southampton.
76. This culminated in the Council's adoption of its Nitrogen Mitigation Position Statement in June 2022. This provides certainty to developers regarding the Council's approach to calculating nutrient outputs and levels of mitigation required, as well as what options for mitigation the Council deems acceptable to comply with the Habitats Regulations.
77. Whilst this certainty will allow developers to continue to progress their schemes and deliver more completions in Southampton, the mitigation measures required to achieve nutrient neutrality are a further cost that weighs on the viability of development. However, it is important to note that unlike some other planning obligations, such as affordable housing, which can be reduced to ensure developments are viable, nutrient mitigation measures must be provided for a planning permission to be granted that is legally compliant with the Habitat Regulations.

### **Conclusions on Potential Barriers to Housing Delivery**

78. The number of new homes delivered in Southampton between 2020-21 and 2022-23 was 50% of its target determined by Government. This is below the highly aspirational target of 95% that the Government expects all Local Planning Authority areas to achieve to avoid consequential measures being applied.
79. In terms of exploring potential reasons why housing delivery has fallen below this target, the available data indicates that the Council's Development Management service has performed well during the 2020-21 to 2022-23 period. All major planning applications were determined within the prescribed timeframe and most other smaller applications also determined within the relevant prescribed timeframe. The number of schemes refused planning permission has

stayed relatively stable, with refusals demonstrably justified given the very low percentage of application decisions that have been overturned at appeal. Whilst it is important for the Council to support the delivery of the required number of new homes, it will not do so at the expense of providing high quality homes that meet the needs of residents and make a positive contribution to the city. The Council has also been proactive during this time in undertaking regular stakeholder engagement to help identify a pipeline of new developable sites for the emerging Southampton City Vision Local Plan, albeit the city's built-up boundaries mean there is limited developable land available.

80. There have been some identified challenges in the delivery of large-scale strategic sites such as Centenary Quay, the Townhill Park Estate regeneration, and the residential element of West Quay Phase 3. Challenges have included site specific constraints and changing market demand, but the biggest challenge cited is viability.
81. The Covid-19 pandemic has impacted on delivery in the short-term as a result of restrictions shutting down construction sites during the first national lockdown and subsequent social distancing and self-isolation measures reducing the number of people that can work onsite. The unwinding of demand following the pandemic, combined with new global crises and the long-term effects of Brexit, have also contributed to a significant surge in inflation, labour costs and the cost of building materials. This exacerbates existing viability challenges in Southampton that come from site specific constraints, the need to deliver environmental mitigation, the high cost of redeveloping brownfield sites, and the lower sales value of completed homes compared to other locations in the South Hampshire sub-region and the wider South East.
82. It is also important to consider the impact of changing national policy. During the Housing Delivery Test assessment period, the annual housing need for Southampton increased by 80% over what was planned for in the Core Strategy Review as a result of having to use the Government's Standard Method, including the 35% uplift for the largest cities and urban centres. Until a new Local Plan can be adopted, housing delivery will therefore be reliant on a number of unplanned sites coming forward which is not conducive to a plan-led system.
83. From the evidence available, it can be concluded that the main constraints to delivery in Southampton do not lie with the Council's Planning Service which consistently demonstrates strong performance against various metrics. Rather, the city faces inherent structural issues in its tight, built-up boundaries, the limited amount of brownfield land that is coming forward for redevelopment; its ability to secure inward investment; the challenges of making brownfield development viable; the need to mitigate the environmental impacts of development; and increased housing targets which do not account for these factors.

## **Chapter 3: Potential Actions to Improve Housing Delivery in Southampton**

84. The previous chapter outlined several issues that are potentially hindering the delivery of new housing in Southampton. These include challenges around the availability of land, development viability and nutrient neutrality. This chapter will address each of these issues and set out the actions that have been, or will be taken, to increase the delivery of new homes in Southampton.

### **Development Management Service**

85. Given the demonstrable high performance of the Development Management Service, it is considered highly unlikely that this a blocker to housing delivery in the city. However, it is important that complacency does not become an issue and as highlighted in the previous chapter sudden drops in staffing levels can significantly affect performance. Consequently, the Council will continue to ensure adequate support to sustain staff retention and ensure the swift and effective hiring of new staff, where needed.
86. The Development Management Service is also exploring opportunities for new Planning Performance Agreements with major landowners in the city. This will allow for more open and proactive discussions earlier in the applications process as landowners consider the future evolution of their estates. This is based on the successful agreement put in place between the Council and the University of Southampton to explore the future of development at its campuses and research facilities as well as the delivery of new student accommodation schemes.

### **Land Availability**

87. As outlined in the previous chapter, housing land supply has fallen in recent years to below the required five years. This is mainly due to an increase in housing need rather than a fall in the supply of available housing sites. Nevertheless, there will need to be a significant increase in the number of available sites to restore a five year housing land supply.
88. To increase land supply the first approach will be to complete a new Strategic Land Availability Assessment (SLAA) and to maximise density on those sites deemed acceptable for allocation. If, despite all efforts, this does not deliver sufficient supply to meet the city's needs then the Council will work with its neighbouring authorities and the wider Partnership for South Hampshire<sup>12</sup> through the Duty to Cooperate to see where any unmet need can be accommodated, where appropriate.

### **Strategic Land Availability Assessment (SLAA)**

89. The Council is currently working to prepare a new SLAA as part of the evidence base for its new Southampton City Vision Local Plan. This preparation has involved engagement with key stakeholders to identify sites and opportunities to accelerate delivery. There has also been extensive engagement with the Council's Corporate Assets and Estates Team to identify potential Council owned sites that could be used to deliver housing.

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<sup>12</sup> Find out more about Partnership for South Hampshire at: <https://www.push.gov.uk/partnership/>

90. The Draft SLAA, informed by two Call for Sites, was published in October 2022 as part of the Southampton City Vision Draft Plan with Options consultation. It identified 79 development sites along with allowances for increasing residential densities in district centres and areas with good public transport links, further office to residential conversions, and the regeneration of housing estates. Together, these sites were considered to have capacity to deliver 10,499 new homes over the plan period to what was then 2040. It is estimated that 3,237 new homes would be deliverable within the first five year period. There are a wide range of sites contained within the SLAA, including land put forward by the Council and other public sector bodies, but inevitably given the built-up nature of the city nearly all of the sites are entirely brownfield land.
91. The SLAA contains a mix of small, medium and large sites in order to ensure variety of supply and avoid an overreliance on strategic sites that can take a long time deliver, particularly if there are site constraints or major infrastructure requirements to be addressed. These kinds of issues combined with general challenges in the city regarding viability mean that it can be difficult to bring some sites forward. As part of the evidence base for the Southampton City Vision Local Plan, a new whole-plan viability study will be prepared to inform the levels of appropriate developer contributions and affordable housing. The aim will be to achieve the right balance between aspirations for the city, its infrastructure needs and a contributions regime that is not so onerous that it prevents development from coming forward.
92. With the Council now required by Government to add a 35% cities and urban centres uplift to its housing need, the identified supply of housing will not meet needs in full. To address this the Council proposes to undertake a further Call for Sites in the first half of 2025 to identify any further development sites. At the same time, the Council will also contact the owners and developers of existing SLAA sites to confirm these remain available for development and whether there are any changes in circumstances. The Council will also undertake further work on the capacity of SLAA sites to seize opportunities to increase densities that would yield additional homes.

## Working with Others

93. The Council recognises the importance of working with neighbouring authorities to address cross-boundary strategic issues and to promote the growth and prosperity of the South Hampshire sub-region. A key facilitator for this growth and prosperity is ensuring that housing needs are met given local demand and the need to improve affordability. However, meeting this need may not be fully achievable within the constraints of the city.
94. Local Planning Authorities, like Southampton City Council, are subject to the Duty to Cooperate. The Duty was introduced under the Localism Act 2011<sup>13</sup>, and for the planning system was intended to replace the strategic approach to cross-boundary issues that was previously addressed in County Structure Plans and Regional Spatial Strategies. Other organisations that are subject to the Duty to Cooperate include county councils and the organisations listed in paragraph 4 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)<sup>14</sup>. The Government's approach for organisations to maintain effective cooperation under the Duty are set out in paragraphs 24 to 28 of the NPPF<sup>15</sup>.

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<sup>13</sup> Available at: <https://www.legislation.gov.uk/ukpga/2011/20/contents>

<sup>14</sup> Available at: <https://www.legislation.gov.uk/uksi/2012/767/contents>

<sup>15</sup> Available at: <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

95. For the Council, one of the key forums for cross-boundary working has been the Partnership for South Hampshire (PFSH)<sup>16</sup>, which was previously known as the Partnership for Urban South Hampshire (PUSH) prior to 2019. PFSH brings together all the local authorities that are either entirely or partially located in the South Hampshire sub-region. It works closely with a range of partners including the Environment Agency, Homes England, Natural England, Solent Transport and local private sector businesses.
96. In December 2023, PFSH published a Spatial Position Statement<sup>17</sup> replacing an earlier version published in 2016. The Statement has been produced collaboratively by constituent members but does not have the status of a Development Plan Document. Therefore, members do not have to abide by the Statement, rather it is a set of principles for Local Plans to deliver sustainable development in southern Hampshire.
97. The Statement has been prepared based on significant cross-boundary evidence and will help member authorities with cross-boundary issues of housing growth as well as related issues such as transport planning and environmental issues, including nutrient neutrality. It also sets out the approach to the draft PFSH Statement of Common Ground<sup>18</sup> which will be updated to reflect the progress of members' new Local Plans.
98. With regards to housing, the Statement sets out the housing need and supply for each local authority area up to 2036. It establishes the approach for addressing the housing needs of those authorities who are not able to meet their needs in full. However, it reiterates that the 35% cities and urban centres uplift that is applied to Southampton should not be redistributed to other local authorities if this cannot be met within the city boundary since it is a national policy tool to encourage the regeneration of brownfield sites within major urban areas.
99. Statements of Common Ground (SoCGs) will be prepared by the Council and its partners and subsequently maintained on an ongoing basis as the Southampton City Vision Local Plan progresses towards adoption. The Council proposes to undertake work to agree and continue to update SoCGs with the following partners, and others as needed:
  - Partnership for South Hampshire (multi-lateral statement covering the southern Hampshire sub-region);
  - Eastleigh Borough Council (neighbouring authority);
  - New Forest District Council (neighbouring authority);
  - Test Valley Borough Council (neighbouring authority); and
  - Isle of Wight Council (the Port of Southampton operates one of the key ferry routes connecting the island to the mainland).
100. Through collaboration with partners in neighbouring authorities and at PFSH, the Council is working to identify land that will contribute to the housing needs of the city and the wider sub-

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<sup>16</sup> More information available at: <https://www.push.gov.uk/>

<sup>17</sup> Available at: <https://www.push.gov.uk/work/planning-and-infrastructure/push-position-statement/>

<sup>18</sup> Available at: <https://www.push.gov.uk/wp-content/uploads/2023/06/Item-13-Statement-of-Common-Ground-2023-Revisions-and-Update.pdf>



region. The Council will continue to work proactively to ensure the housing needs of the sub-region are met and are distributed in a way that promotes sustainable development, taking account of the individual constraints of each authority. This includes agreeing SoCGs for any contributions to Southampton's unmet housing need should there be insufficient land within the city to meet needs, ignoring the 35% uplift.

## **Southampton City Vision – A New Local Plan for Southampton**

101. The Council adopted its Core Strategy Review in 2015, alongside the City Centre Area Action Plan and amendments to the saved policies of the Local Plan Review. Since then, there have been significant changes to national planning policy as a result of updates to the NPPF and Planning Practice Guidance. To address these national policy changes, as well as reflect changes in local circumstances and updated housing and economic needs, the Council is looking to progress a new Local Plan to replace the aforementioned suite of Development Plan Documents. This new Local Plan will be called the 'Southampton City Vision'.
102. The Southampton City Vision Local Plan will respond positively to a number of challenges the city faces including the need to deliver new housing. It will be informed by a new evidence base, including a new Housing and Economic Needs Assessment and Strategic Land Availability Assessment. The main challenge in identifying new sites for development is that Southampton is built out to its boundaries and therefore has very limited greenfield land to enable the city's expansion. The greenfield land the city does have is allocated as open space for recreation, nature conservation or a combination of both. Given the importance of these open spaces to the city's residents and the benefits they bring for health, biodiversity, climate resilience, air quality and water quality and quantity, they will continue to be allocated for these purposes. Therefore, nearly all development will be on brownfield land.
103. The Council held a Priorities, Ideas and Aspirations (Regulation 18) consultation between February and May 2020. The objective of the consultation was to start understanding priorities, ideas and aspirations for the City Centre and local neighbourhoods from residents, businesses and anyone with an interest in the future of Southampton. The responses received informed the drafting of new planning policies which were set out in the Draft Plan with Options (Regulation 18), which was subject to public consultation between October 2022 and January 2023. This iteration of the Plan set out a full draft set of policies presenting different options regarding approaches or thresholds where reasonable alternatives could be identified and the Council considered it important to get the views of residents, businesses and developers before final options were selected.
104. A number of policies presented in the Draft Plan with Options aim to increase the supply of housing in the city. These include:
  - A draft density policy – the Council is proposing a new density policy that will set out minimum density requirements for different parts of the city. Higher density development will be focused in the most sustainable locations namely those where there are the greatest number of facilities and significant public transport options. The highest densities will be in the City Centre, followed by the town and district centres, and then transport corridors and hubs. Densities in the remainder of the city will be determined by local context. The densities that are proposed are a significant uplift compared to the adopted policy position and are intended to reflect average densities of developments that have been successfully delivered in the city over recent years. Delivering higher densities means sites can deliver more

housing but it will also be important for these developments to be high quality to avoid overintensification.

- A draft housing mix policy – this policy will establish the need to deliver a mix of different housing types and tenures in order to meet the needs of different residents. It will also set out requirements in relation to family housing and set out provision targets to account for previous low levels of delivery of this housing type. This will be informed by a new Housing and Economic Needs Assessment.
- A draft affordable housing policy – this policy sets out levels of affordable housing and requirements for how this should be delivered. The percentage and mix of affordable housing to be delivered will be informed by a whole-plan viability study in order to balance the Council's aspirations with a requirement that is not so onerous it prevents development coming forward.
- A draft housing standards policy – this policy requires that new housing must meet the Nationally Described Space Standards as well as sets out levels of housing that is to be delivered according to the M4(2) and M4(3) standards of the Building Regulations. This will help make housing available for all and should enable people to stay in their own home for longer as they get older or their care needs change. The percentage of accessible homes to be delivered will be informed by a whole-plan viability study to ensure sites can remain viable whilst delivering accessible homes.
- Proposed strategic development site policies – a number of strategic development sites are proposed for allocation, most of these for a mix of uses including housing. These allocations will be optimised in terms of densities, mix of uses and design constraints to ensure levels of housing are maximised whilst maintaining high quality design.

105. In addition to the proposed strategic development sites, the proposed pipeline of sites for the plan period includes a number of smaller and medium non-strategic sites which are identified in the SLAA as being suitable for development. Whilst there will not be site specific policies for these, they will be allocated more generally under the housing policies to ensure an adequate supply of sites to address the city's housing needs.

106. The Strategic Planning Team have completed the review and analysis of the comments received on the most recent consultation. The Team will now look to commission further evidence to inform the selection of options, where required, and amend policies where needed, factoring in consultation feedback and ensuring all policies and approaches are considered 'sound' as per the NPPF's definition at paragraph 36<sup>19</sup>. However, there is currently uncertainty regarding the full scope of the changes that will need to be made since further changes to national planning policy are proposed following the Levelling Up and Regeneration Act receiving Royal Assent in 2023. Once secondary legislation is published, alongside any Government guidance, an updated NPPF, and National Development Management Policies, the Team will look to review these as quickly as possible to finalise policies and move forward with a Pre-Submission (Regulation 19) consultation.

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<sup>19</sup> Available at: <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

## Development Viability

107. The Council will commission a whole-plan viability study to assess the various requirements and obligations proposed in the Southampton City Vision Local Plan to ensure these are set at a level that would not make viability a barrier to development. The study will need to consider the tight development margins in the city.
108. Requirements that will need to be considered in relation to housing include: provision of affordable housing; provision of accessible and wheelchair user housing; the need to meet Nationally Described Space Standards; energy and water efficiency standards; and other sustainability measures to support the net zero transition. This is in addition to meeting CIL and S106 payments, as well as environmental mitigation costs to achieve nutrient neutrality.

## Council-Led Development and Making Council Land Available for Redevelopment

109. The Council is one of the largest landowners in the city and this includes 16,500 Council-owned homes. The Council has sought to take a positive and proactive approach to housing, as outlined in the Southampton City Council Housing Strategy 2016-2025. The key priorities of this strategy have included: delivering more housing with a diverse mix to meet varying needs, improving the quality of homes to support health and wellbeing, and supporting people to live independently for longer. The Council has a commitment to deliver 8,000 new affordable homes by 2040 to alleviate pressure on the Housing Register.
110. To support this aim, the Council has been delivering estate regeneration projects with previous successes at Hinkler Road, Laxton Close, Exford Avenue and Cumbrian Way over the past two decades. Furthermore, in 2022 the Council's Cabinet approved the establishment of the Affordable Housing Framework<sup>20</sup>. This is a delivery mechanism for the Council to transfer its own land to Registered Providers who will build affordable housing for either social rent, affordable rent, or shared ownership. The Council will then benefit from nomination rights. In December 2022, a series of Council sites were approved by Cabinet for disposal through the Affordable Housing Framework. Subsequently, in August 2023, four Registered Providers were appointed to the Framework - Abri, Hyde, Sovereign and Stonewater.
111. As mentioned in the previous chapter, the ongoing regeneration of the Townhill Park Estate has stalled following the Covid-19 pandemic. However, the Council is working hard to reinvigorate the scheme. In November 2024, following a mini-tender, Abri was announced as the preferred bidder to deliver 189 new homes on Plots 5 and 6. The timetable for delivering these new homes is currently being agreed between the Council and Abri but should see phased delivery with completion by the end of 2029 at the latest. A second mini-tender for Plots 2 and 9 received bids in Autumn 2024 and an appointment is expected to be made by Spring 2025. A third mini-tender for Plot 10 will be issued later in 2025.
112. Following the receipt of funding from the Brownfield Land Release Fund, the Council was able to progress the demolition of vacant existing dwellings during 2024, which has released land for 220 new dwellings. The plots at the Townhill Park Estate will be the first sites to come forward under the Affordable Housing Framework with a pipeline of further sites coming forward in the next few years.

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<sup>20</sup> Find out more about the Affordable Housing Framework at:

<https://www.southampton.gov.uk/housing/find-a-home/affordable-housing-framework/>

113. The Council is currently reviewing its landholdings to determine whether there is additional land that could be freed up for redevelopment, including for housing. This will be determined on a site-by-site basis and consider whether such land could be directly developed by the Council, transferred to the Affordable Housing Framework, or sold on the open market to be purchased by a developer through the Council's Asset Development and Disposal Programme. Current estimates suggest these landholdings could yield a significant number of new homes.
114. To further the Council's role as an owner and developer of housing, work is currently underway on a new strategy to materially improve its existing housing stock and identify opportunities to deliver additional new homes. The first stage of this work has included assessing existing housing stock, planning policy constraints and opportunities, and available community infrastructure to identify priority neighbourhoods. The second stage involved a more detailed assessment of these priority neighbourhoods. From these stages that were completed in 2024, the third stage has identified the approaches that could be best deployed in each neighbourhood to address current challenges. These approaches includes a mixture of refurbishment, replacement, infilling and estate regeneration which could yield a significant level of net additional housing. The outputs from this work will be presented to the Council's senior leaders in early 2025. Subject to their approval, work will now progress on the fourth and fifth stages which will involve financial and viability analysis and an exploration of delivery models respectively. A pilot project will also be identified to trial this mixed-development approach, which if successful will be scaled up across the city.
115. It is important to recognise that this undertaking will be a long-term project given the complexities of bringing these sites forward in a viable manner that successfully engages stakeholders, particularly affected residents. The programme will ultimately support the delivery of further new, high-quality homes alongside the retrofit and refurbishment of the existing stock that can be retained. Crucially, this will support wider placemaking in disadvantaged neighbourhoods that may ultimately make Southampton more prosperous and improve the viability of all development projects across the city. However, it will be several years before the net additional homes generated by this programme will feed into a Housing Delivery Test measurement.

## **Southampton Renaissance**

116. To address the impacts of higher inflation and interest rates on investment and development in the city, the Council are progressing a new development strategy known as the 'Southampton Renaissance'. In May 2024, the Council appointed Prior + Partners to lead a consortium of five consultancies to provide a city prospectus, series of area frameworks, and a delivery strategy that will realise a unified vision for the long-term regeneration of the City Centre. The Southampton Renaissance documents will identify key investment opportunities in the City Centre including those which can incorporate new housing.
117. By showcasing the breadth of regeneration opportunities available, it is hoped that more developers and investors will bring forward new proposals to the city and increase housing delivery. To support this a launch event for the first output, the city prospectus, was held in February 2025 with high levels of attendance from a variety of interested parties.

## Nutrient Neutrality Strategy

118. The Council adopted its Nitrogen Mitigation Position Statement in June 2022<sup>21</sup>. The Statement sets out several options that developers can use to mitigate the nitrogen output of their schemes if this would exceed the level required to achieve nutrient neutrality.
119. One of the options is to purchase credits from a landowner who has implemented measures to reduce nitrogen discharges from their land. Such schemes must meet certain tests prescribed by Natural England in order to be found acceptable for demonstrating nutrient neutrality. There is no land available in Southampton to deliver the kinds of schemes that would meet these tests so credits must be obtained from schemes outside the city. To ensure these schemes continue to meet the prescribed tests and the Council can undertake any enforcement measures as necessary, the Council must enter into a Section 33 agreement, pursuant to the Local Government (Miscellaneous Provisions) Act 1982 (as amended)<sup>22</sup>, with the relevant landowner.
120. The Council entered into a Section 33 agreement with Eastleigh Borough Council in July 2022. This would allow developers to purchase credits from Eastleigh Borough Council which is running a mitigation scheme<sup>23</sup> on its existing agricultural landholdings in the Borough. The Council then entered into a further Section 33 agreement in December 2023 with Roke Manor Limited to allow developers to purchase credits from their mitigation scheme at Awbridge Danes near Romsey.
121. Entering into these agreements supports developers in purchasing the nitrogen credits necessary to progress their housing developments. However, each mitigation scheme has a finite number of credits. Therefore, to ensure there is a sufficient supply of credits moving forward, the Council signed PfSH's Inter-Authority Agreement for Nutrient Mitigation in January 2025. This allows the Council to become a benefitting party and secure credits from new strategic mitigation schemes that are brought forward and coordinated by PfSH.
122. The Council also jointly funds a Strategic Environmental Planning Manager (SEPM) and supporting team through its contributions to PfSH. The role of the SEPM and their team is to provide strategic oversight on the delivery of new mitigation schemes and the maintenance of existing ones; to be a liaison between the member authorities on cross-boundary environmental issues; and to work with external stakeholders such as the Department for Environment, Food & Rural Affairs (DEFRA), Natural England, the Environment Agency and Southern Water. The Council will continue to work closely with the SEPM on nutrient neutrality issues to ensure continued delivery of housing developments.
123. Another mitigation option is the delivery of water efficiency measures in existing dwellings to reduce the levels of wastewater that reach the wastewater treatment works. The Council as a significant owner of homes within the city is exploring whether water efficiency measures could be applied in its portfolio to generate credits. In the first instance, these credits would be used to mitigate the nitrogen outputs of the Council's own housing projects.

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<sup>21</sup> Available at: <https://www.southampton.gov.uk/planning/planning-permission/sustainability-checklist/nitrogen-mitigation/>

<sup>22</sup> Available at: <https://www.legislation.gov.uk/ukpga/1982/30>

<sup>23</sup> Find out more about the Eastleigh Borough Council Nitrogen Mitigation Scheme at: [https://www.eastleigh.gov.uk/media/14521/eastleigh-borough-council\\_digital-brochure.pdf](https://www.eastleigh.gov.uk/media/14521/eastleigh-borough-council_digital-brochure.pdf)

## Chapter 4: Monitoring the Council's Progress

124. The Housing Delivery Test 2022 measurement showed Southampton had only delivered 75% of the required amount of housing. Amongst other consequences, the Council was required to publish its first Housing Delivery Test Action Plan which it did in July 2024.

125. Table 16 provides an update on progress against the actions set out in the Action Plan following the 2022 Measurement. It should be noted that as that Action Plan was published only seven months ago many actions remain ongoing or have not yet commenced.

126. The progress on actions in Table 16 is measured using a RAG rating as follows:

- **Green:** The action has been completed
- **Amber:** Work is underway to address the action
- **Red:** The action has not yet been implemented

**Table 16:** Update and progress on the Southampton Housing Delivery Test Action Plan following the 2022 Measurement

Strategic Issue	Action	Update	Progress
Delays on Strategic Development Sites	Secure new development partners through the Affordable Housing Framework	<p>In November 2024, Abri was announced as the preferred bidder for the delivery of Plots 5 and 6 at Townhill Park.</p> <p>Bids were made by potential development partners for Townhill Park Plots 2 and 9 in Autumn 2024. A preferred bidder is expected to be announced by Spring 2025.</p> <p>A mini-tender for Plot 10 will be issued in 2025.</p>	
Housing Land Supply	Progress the Southampton City Vision incorporating new allocations that provide housing as well as new policies that support higher rates of housing delivery	Work has progressed on the Southampton City Vision Local Plan including the completion of analysis and publication of results from the Draft Plan with Options consultation. However, progress has been slowed by ongoing changes in the position of national planning policy and the Strategic Planning Team being required to address multiple priority projects.	
	Undertake a further Call for Sites exercise	It is expected that the Call for Sites exercise will commence in the first half of 2025.	
	Continue to prepare evidence base documents for Southampton City Vision that support housing	Rather than a Strategic Housing Market Assessment, housing needs will now be considered as part of a Housing and Economic Needs Assessment. A specification has been issued for tender	



	including the Strategic Land Availability Assessment and Strategic Housing Market Assessment	and it is expected that a contractor can be appointed by the end of Spring 2025.	
	Undertake regular updates of the Brownfield Register	These have not yet commenced but an update is expected to take place once the Call for Sites exercise has closed and the results have been analysed to understand which sites would qualify for the Register.	
	Work with Partnership for South Hampshire and its member authorities to identify opportunities to deliver unmet housing need on a sub-regional basis	Officers regularly attend PfSH meetings and input into analysis and discussions on how unmet housing need will be addressed.	
	Strategic Development Opportunity Areas to be identified and assessed to support the South Hampshire Spatial Position Statement 2023	Officers regularly attend PfSH meetings and input into analysis and discussions to identify Strategic Development Opportunity Areas and how to resolve strategic infrastructure issues needed to support their delivery.	
	Prepare and update Statements of Common Ground with neighbouring authorities	The Council has signed a Statement of Common Ground with Isle of Wight Council to support the examination of its new Local Plan, the Island Planning Strategy. This Statement of Common Ground will form the template for a reciprocal statement regarding the Southampton City Vision Local Plan.	
Development Viability	Undertake a whole-plan Viability Assessment of the Southampton City Vision Local Plan	The whole-plan Viability Assessment will be undertaken in due course once there is greater certainty around which options will be chosen for certain policies informed by additional evidence documents.	
	Undertake a further Call for Sites to identify a mix of small, medium and large (strategic) sites	It is expected that the Call for Sites exercise will commence in the first half of 2025.	
	Continue preparation of the Strategic Land Availability Assessment	Work has been ongoing to further consider site yields and trajectories. Once the Call for Sites has been completed the additional sites submitted will be considered in the Strategic Land Availability Assessment so it can be finalised.	
	Identify opportunities to regenerate existing Council estates to	The Council has appointed consultants to identify the capacity of existing Council-owned housing land assets and estates to	

	increase housing density and bring forward Council-owned land for redevelopment for housing	<p>deliver additional new housing alongside options of how existing Council stock can be materially improved.</p> <p>The Council has initiated the Asset Development and Disposal Programme to identify options for the redevelopment and potential disposal of Council land and other assets. These sites could then come forward for housing amongst other uses. A number of sites have now been progressed to pre-application enquiries.</p>	
	Complete the Southampton Renaissance Masterplan to deliver a comprehensive approach to development in the city centre and attract inward investment	Work on the Southampton Renaissance Masterplan is well underway. The first output, the prospectus, was launched in February 2025. The remaining outputs will be completed in 2025 to help inform the Council's approach to development in the City Centre.	
Nutrient Neutrality	Work with Partnership for South Hampshire and other partners to progress the delivery of further mitigation schemes and ensure the necessary legal frameworks are in place to allow developments in Southampton to obtain credits from these schemes	In January 2025, the Council signed the PfSH Inter-Authority Agreement for Nutrient Mitigation. This allows the Council to become a benefitting party to strategic mitigation schemes that come forward in the same catchment as Southampton. This will help ensure that development in the city continues to have access to a robust supply of mitigation credits.	

## **Chapter 5: Conclusions and Next Steps**

### **Conclusions**

127. The Council has identified the following potential barriers to housing delivery during the 2020-21 to 2022-23 period:

- Delays on strategic development sites – the Council has been working closely with the developers of strategic sites in the city to ensure these are progressed through the planning system at pace. However, delays have occurred post-permission usually for non-planning reasons. Whilst site-specific constraints and changing market demands have played a factor, the most common issue across all sites has been viability. This has particularly impacted the ability to deliver the residential towers proposed on some strategic sites despite the Council being pragmatic and adjusting contribution levels for requirements such as affordable housing, based on the viability evidence submitted by developers. Whilst the Council provides as much support and advice as it can on these strategic sites, ultimately the decision to move forward on delivering housing is a commercial one made by the developer. On its stalled regeneration project of the Townhill Park Estate, the Council has taken proactive measures to continue bringing forward the development including subdividing sites and undertaking mini-tenders for these with Registered Providers on its Affordable Housing Framework. The preferred bidder from the first of these mini-tenders has now been appointed and is now working on designing the proposals and securing the necessary planning approvals. Mini-tenders for further plots are being progressed. Demolition of some existing buildings to make plots on the Estate ready for redevelopment has been completed following the Council's successful bid for money from the Brownfield Land Release Fund.
- Housing land supply – the Council continues to engage with developers and local landowners to identify potential developable sites but there must be acknowledgement that the city's constraints mean the supply of land, which is almost entirely brownfield land, is highly limited. Therefore, the Council continues to work with neighbouring authorities and the Partnership for South Hampshire on where unmet housing can be delivered outside of the city boundary, as appropriate, through a strategic approach to housing delivery for the whole sub-region.
- Development viability – viability in Southampton is challenging and can limit opportunities for new sites to come forward. New issues such as the need to mitigate nutrient outputs have added to the burden of developer obligations. The Council's new Local Plan, the Southampton City Vision, will strike a fair balance to ensure that development remains viable whilst delivering on the Council's aspirations to deliver high-quality new homes and address the substantial number of people waiting on the Housing Register. Achieving this balance will be done through evidence, such as the commissioning of a whole-plan viability assessment, and consultation with stakeholders. The Council's commissioning of a Southampton Renaissance strategy will help showcase regeneration opportunities and attract new inward investment to advance new development schemes and increase housing delivery.
- Covid-19 pandemic – the pandemic brought significant disruption to national life. Lockdowns and social distancing regulations introduced by Government inevitably slowed down the speed at which new homes could be built. The Council worked diligently to ensure planning permissions continued to be issued during this time so that housing delivery could continue at pace once the pandemic was over. Nevertheless, the impacts of the pandemic will

continue to be felt for some time as the unrolling of pent-up demand, plus other recent global crises and the impacts of the so-called 'mini-budget', have contributed to a significant increase in inflation and a subsequent rise in interest rates that have exacerbated viability challenges in the city.

- Nutrient neutrality – changing case law requiring new development schemes to directly address the issue of nutrient outputs has been a challenge for all affected local authorities, including those in southern Hampshire. The ability in Southampton to deliver the types of mitigation required to demonstrate nutrient neutrality has been hampered by a lack of available land meaning the Council has been reliant on mitigation schemes coming forward outside of the city. The Council has proactively engaged with partners to support the delivery of these schemes and has ensured the necessary legal agreements are in place to allow developers in the city to acquire credits from these schemes. The Council continues to support the delivery of further new mitigation schemes to ensure there is sufficient availability of credits for the ongoing pipeline of new developments. It has signed an Inter-Authority Agreement with Partnership for South Hampshire to become a benefitting party in new strategic mitigation schemes. This should mean that the supply of credits is no longer an issue in the delivery of new housing. The only remaining challenge will continue to be the impact of mitigation costs on viability.

128. Whilst not all issues related to housing delivery are within the Council's control, an updated action plan for addressing those barriers where the Council has the ability and authority to take action, as necessary, is included at Appendix 1.

129. The Council is confident that it fully understands the issues that have affected housing delivery in the city and is working constructively to resolve them to meet the overarching aim of improving housing delivery to a level that meets Government-mandated targets. Many of these barriers however, cannot be resolved by the Council alone. Consequently, the Council will continue its close working relationships with developers, infrastructure providers, neighbouring local authorities, the Partnership for South Hampshire, statutory consultees and other key stakeholders to ensure the necessary step change in housing delivery takes place.

## Next Steps

130. The Action Plan at Appendix 1 sets out a range of short and medium-term actions with the aim of increasing the delivery of new homes in the city. The timescale and responsibilities for delivering these actions are identified as appropriate. Where necessary, these actions will be updated or new actions will be added in response to unforeseen issues or barriers to development, or as a result of changes in legislation or national planning policy. Monitoring of the actions will take place on an annual basis after the Ministry of Housing, Communities and Local Government (MHCLG) publishes the annual Housing Delivery Test measurement. The results of this monitoring along with new and updated housing delivery data, development management service monitoring data and other data sources will be used to inform the annual review of the Action Plan that will be published prior to the deadline set by MHCLG.

## Appendix 1: Southampton Housing Delivery Test Action Plan following the 2023 Measurement

Cause	Evidence	Action	Responsible	Status
<b>Strategic Issue: Delays on Strategic Development Sites</b>				
Delays at Townhill Park Estate regeneration	Work on the planning permission commenced more than five years ago but so far only 56 homes have been delivered. The originally appointed developer has pulled out of the scheme.	Continue to secure new development partners through the Affordable Housing Framework for the remaining plots at Townhill Park	Southampton City Council – Corporate Estates & Assets	Ongoing
<b>Strategic Issue: Housing Land Supply</b>				
Housing Land Supply	Insufficient development land available to meet the housing targets required by the Government's standard method with 35% uplift for cities and urban centres	<p>Progress the Southampton City Vision Local Plan incorporating new allocations that provide housing as well as new policies that support higher rates of housing delivery</p> <p>Undertake a further Call for Sites exercise</p> <p>Continue to prepare evidence base documents for Southampton City Vision Local Plan that support housing including the Strategic Land Availability Assessment and Housing and Economic Needs Assessment</p> <p>Undertake regular updates of the Brownfield Register</p>	Southampton City Council – Strategic Planning	Ongoing

		Work with Partnership for South Hampshire and its member authorities to identify opportunities to deliver unmet housing need on a sub-regional basis		
Progress with Duty to Cooperate and sub-regional strategic planning	Need to work with partners to address strategic issues on a sub-regional basis including how to optimise housing distribution and address unmet needs in those authorities with greater constraints	Strategic Development Opportunity Areas to be identified and assessed to support the South Hampshire Spatial Position Statement 2023	Partnership for South Hampshire  Southampton City Council – Strategic Planning to input	Ongoing
		Prepare and update Statements of Common Ground with neighbouring authorities	Southampton City Council – Strategic Planning  Neighbouring local authorities	Ongoing
Strategic Issue: Development Viability				
Bringing forward developable sites	Viability cited by developers as a challenge on strategic sites	Undertake a whole-plan Viability Assessment of the Southampton City Vision Local Plan  Undertake a further Call for Sites to identify a mix of small, medium and large (strategic) sites  Continue preparation of the Strategic Land Availability Assessment	Southampton City Council – Strategic Planning	Ongoing
		Identify opportunities to regenerate existing Council estates to increase housing density and bring forward Council-owned land for redevelopment for housing	Southampton City Council – Corporate Estate & Assets and Economic Development & Regeneration	Ongoing

		Complete the Southampton Renaissance Masterplanning documents to deliver a comprehensive long-term vision for development in the city centre and attract inward investment	Southampton City Council – Economic Development & Regeneration  Prior + Partners	Ongoing
<b>Strategic Issue: Nutrient Neutrality</b>				
Nitrogen pollution affecting protected habitats and wildlife in Southampton Water and the Solent	Developments needing to demonstrate nutrient neutrality in order to achieve compliance with the Habitat Regulations and secure planning permission	Following the Council signing the Inter-Authority Agreement on Nutrient Mitigation, continue to work with Partnership for South Hampshire and others to monitor the supply of mitigation credits and support the delivery of new strategic mitigation schemes	Southampton City Council – Strategic Planning  Partnership for South Hampshire and its member authorities	Ongoing