



NOTICE OF MEETING

CABINET

THURSDAY, 8 SEPTEMBER 2022 AT 2.30 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

Telephone enquiries to Democratic Services Tel: 023 9268 8014

Email: Democratic@portsmouthcc.gov.uk

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)

Councillor Suzy Horton (Vice-Chair)

Councillor Chris Attwell

Councillor Kimberly Barrett

Councillor Darren Sanders

Councillor Lynne Stagg

Councillor Jason Fazackarley

Councillor Lee Hunt

Councillor Steve Pitt

Councillor Matthew Winnington

Information with regard to public access due to Covid precautions

- Following the government announcement 'Living with COVID-19' made on 21 February and the end of universal free testing from 1st April, attendees are no longer required to undertake an asymptomatic lateral flow test within 48 hours of the meeting, however we still encourage attendees to follow the PH precautions we have followed over the last two years to protect themselves and others including vaccination and taking a lateral flow test should they wish.
- We strongly recommend that attendees should be double vaccinated and have received a booster.
- If symptomatic we encourage you not to attend the meeting but to stay at home. Updated government guidance from 1st April advises people with a respiratory infection, a high temperature and who feel unwell, to stay at home and avoid contact with other people, until they feel well enough to resume normal activities and they no longer have a high temperature. From 1st April, anyone with a positive COVID-19 test result is being advised to follow this guidance for five days, which is the period when you are most infectious.
- We encourage all attendees to wear a face covering while moving around crowded areas of the Guildhall.
- Although not a legal requirement, attendees are strongly encouraged to keep a social distance and take opportunities to prevent the spread of infection by following the 'hands, face, space' and 'catch it, kill it, bin it' advice that also protects us from other winter viruses.
- Hand sanitiser is provided at the entrance and throughout the Guildhall. All attendees are encouraged to make use of hand sanitiser on entry to the Guildhall.
- Those not participating in the meeting and wish to view proceedings are encouraged to do so remotely via the livestream link.

(NB This agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

A G E N D A

- 1 Apologies for Absence**
- 2 Declarations of Interests**
- 3 Corporate Plan (Pages 5 - 28)**

Purpose

To seek approval from Cabinet for the updated Council's Corporate Plan - 2022-23.

Recommended that the Cabinet:

- a) Approve the updated Council's Corporate Plan - 2022-23 (see Appendix 1)**
- b) Note that the plan demonstrates the Council's commitment to supporting the achievement of the Vision for Portsmouth that has previously been agreed with partners as well as demonstrating how the Council is delivering for the residents of Portsmouth in these challenging times**
- c) Agree that delegated authority be given to the Chief Executive to make minor changes to the draft document prior to publication**

- 4 Tipner West Development (Pages 29 - 184)**

Purpose

This report provides members with information on the future developments for the area known as Tipner West and Horsea Island East (HIE), to support their decision making.

Cabinet is recommended:

- 1. To agree recommendations 2.1 - 2.14 for onward submission to Full Council.**
- 2. That subject to confirmation of Council agreement of recommendation 2.10, Cabinet**
 - (i) Agrees to progress with the design of an option for the land at Tipner West and Horsea Island East that responds to the principles agreed by Full Council (2.10 above), that limits the**

residual financial burden (i.e. after all realistic attempts to attract further funding) to the Council to not more than £10m, and instructs the Director of Regeneration on behalf of PCC as the promoter of the site, to work up an associated planning application and business case;

- (ii) Agrees further spending of up to £7.7 million from the City Deal funding (as described in 4.7-4.10) to prepare the planning application and business plan for the approved option; this expenditure will be subject to criteria and gateways which will be agreed by the Section 151 Officer and Leader of the Council and after consultation with the Group Leaders, prior to expenditure being incurred.; and**
- (iii) Agrees that the delivery programme will highlight in advance gateway review points in which updates and supporting information will be provided to Full Council.**

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Agenda Item 3



Portsmouth
CITY COUNCIL

Title of meeting: Cabinet
Date of meeting: 8th September 2022
Subject: Approval of The Corporate Plan
Report by: Chief Executive
Wards affected: All
Key decision: NO
Full Council decision: NO

1. Purpose of report

1.1 To seek approval from Cabinet for the updated Council's Corporate Plan - 2022-23.

2. Recommendations

2.1 Cabinet is recommended:

- a) To approve the updated Council's Corporate Plan - 2022-23 (see Appendix 1)
- b) To note that the plan demonstrates the Council's commitment to supporting the achievement of the Vision for Portsmouth that has previously been agreed with partners as well as demonstrating how the Council is delivering for the residents of Portsmouth in these challenging times
- c) To agree that delegated authority be given to the Chief Executive to make minor changes to the draft document prior to publication

3. Background

3.1 Last year's Corporate Plan had a focus on the recovery from the covid pandemic and dealing with the climate crisis but all within the context of the agreed City Vision. The updated Council's Corporate Plan, 2022-23 is still strongly aligned with the medium-term vision but also has a focus around responding to the current situation facing Portsmouth residents and the city.

3.2 The updated plan sets out a mission for the Council to work together with partners and communities to stand up for Portsmouth, take action to improve the city and the lives of our residents, and tackle the climate crisis. The plan then details priorities for each of the three elements of the mission for the Council. These priorities are as follows:

- **We will stand up for Portsmouth - priorities**
 - support people during the cost-of-living crisis
 - work with partners to tackle crime and anti-social behaviour
 - ensure access to health services
 - have a strong voice in our region

- **We will improve lives - priorities**
 - deliver major improvement projects
 - deliver new, affordable homes
 - improve transport
 - help people live independent, healthy lives
 - ensure access to cultural and leisure opportunities

- **We will tackle the climate crisis - priorities**
 - reduce our carbon impact
 - support people to take positive action
 - encourage wider environmental responsibility
 - make the city green

3.3 The heart of the plan is about providing the services that residents value. The updated plan shows that our residents rely on us to:

- ensure older people and vulnerable adults are looked after and supported to live independently
- maintain our roads, parks, open spaces and buildings
- offer housing services
- support education, early years and children with special educational needs
- keep children safe and families together
- encourage economic development
- provide planning
- support culture, museums and libraries
- provide benefits and collect council tax and business rates
- collect their bins and provide recycling services
- keep the city cleaner
- Our residents also need us to provide support services to enable the organisation to run as efficiently and effectively as possible

3.4 The Corporate Plan brings all these elements together and shows how everything links. The Plan also describes how we will monitor the progress we are making towards achieving our mission and priorities.

4. Reasons for recommendations

4.1 The Corporate Plan has been updated to reflect the current issues facing the city, but it is still aligned to the City Vision. Cabinet is being asked to approve this draft plan and to note the links with the City Vision. Delegated authority to

the Chief Executive is requested to enable any final changes to the draft document including minor changes to the text and to the format of the document.

5. Integrated impact assessment

5.1 No integrated impact assessment has been undertaken because the individual projects and key activities within the plan will be subject to their own assessments.

6. Legal implications

There are no legal implications specifically associated with this report. Any projects undertaken will be subject to their own assessments.

7. Director of Finance's comments

There are no direct financial implications associated with approval of this report. The strategies to achieve the plan and any projects that flow from this will be subject to their own individual financial assessments.

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Signed by:
David Williams
Chief Executive

Appendices:

Appendix 1 - Corporate Plan - 2022-23.

Background list of documents: Section 100D of the Local Government Act 1972

None

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

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Portsmouth City Council

CORPORATE PLAN

Delivering for Portsmouth 2022/23 (DRAFT)

CONTENTS

Introducing our council plan... and thank you	03
City Vision: shared values , shared aspirations	04
Heart of the plan	05
Our mission	06
Council plan on a page 2022/23	07
Our mission - stand up for Portsmouth	08
Our mission - we will improve lives	09
Our mission - we will tackle climate crisis	11

A healthy & happy city	12
A city rich in culture and creativity	13
A city with a thriving economy	14
A city of lifelong learning	15
A green city	16
A city with easy travel	17
Our values	18

INTRODUCING OUR COUNCIL PLAN... AND THANK YOU

Welcome to the Corporate Plan for Portsmouth for 2022/23. This sets out the immediate mission and priorities for the council and our work to help achieve the city's vision for 2040.

Delivering this plan is only possible because of the commitment and hard work of council staff and partners across the city, so at the outset we thank each one for their contribution.

We face continued change and urgent challenges, including the rising cost-of-living and climate crisis. We must continue to work as one with our partners to respond to these and deliver for Portsmouth and its residents. This plan sets how we will address these challenges, our mission, and priorities for 2022/23 and how we are working to help achieve the city's vision for 2040.

Our mission is clear - to stand up for Portsmouth, take action to improve the city and the lives of residents and to tackle the climate crisis. At the heart of our plan is providing the services that our residents rely on and value, in the most effective way.

We hope you find this plan useful and thank you for your support and contribution to delivering for Portsmouth.

David Williams
Chief executive

Cllr Gerald Vernon-Jackson
Leader of the council

CITY VISION: SHARED VALUES , SHARED ASPIRATIONS

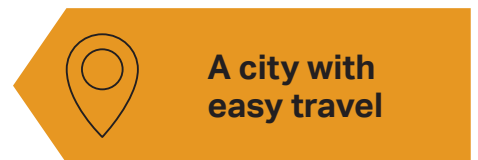
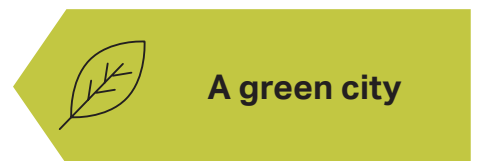
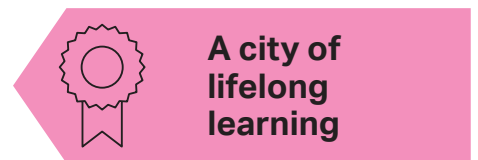
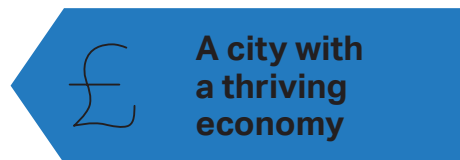
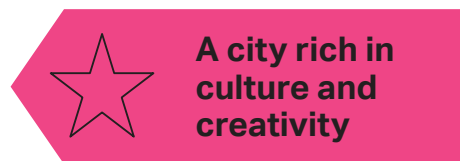
The Corporate Plan is informed by the city vision, which sets out the city's values, shared aspirations for the way people will behave towards each other and how it will feel to live here.

**PORTSMOUTH
PEOPLE VALUE
COLLABORATION,
COMMUNITY,
EQUALITY,
RESPECT, AND
INNOVATION.**

As a council we share those values with our residents and communities and will make sure the values are at the heart of the way we behave, the way we work, and the way we shape our core services and our plans for the future.

The city vision also sets out six clear aspirations for Portsmouth.

In 2040, Portsmouth will be:



As a council, we will work in partnership with other organisations, and with residents and communities, shaping our core services and our transformational projects, plans and strategies to make these aspirations a reality.

HEART OF THE PLAN

At the heart of the plan is **to provide the services residents value**. Our residents rely on us to:

- **ensure older people and vulnerable adults are looked after and supported to live independently**
- **maintain our roads, parks, open spaces and buildings**
- **offer housing services**
- **support education, early years and children with special educational needs**
- **keep children safe and families together**
- **encourage economic development**
- **provide planning**
- **support culture, museums and libraries**
- **provide benefits and collect council tax and business rates**
- **collect bins and provide recycling services**
- **keep the city clean**

Ensuring services are provided

Our residents also need us to provide support services to enable the organisation to run as efficiently and effectively as possible.

These services ensure staff working in the frontline can use their professional expertise to support our residents and communities..

OUR MISSION

Our mission for 2022/23 is to work together with partners and communities to stand up for Portsmouth, taking action to improve the city and the lives of our residents, and to tackle the climate crisis.

Our council mission and priorities set out the things it is most important we focus our attention and resources on, here and now.

We have three clear priority themes that guide our council plan for 2022/23. These themes are set out in our mission statement:

**TO WORK TOGETHER
WITH PARTNERS AND
COMMUNITIES TO STAND
UP FOR PORTSMOUTH**

**TAKE ACTION TO IMPROVE
THE CITY AND THE LIVES
OF OUR RESIDENTS**

TACKLE THE CLIMATE CRISIS

COUNCIL PLAN ON A PAGE 2022/23

The relationship between the city vision, our council plan, our mission, and priorities can be seen on our council plan on a page.

City Vision: the vision and aspirations for Portsmouth in 2040 - our overall guide as we move forward together

Corporate plan 2022/23: our mission and priorities and how we will deliver for Portsmouth.

Our mission is to work together with partners and communities to stand up for Portsmouth, take action to improve the city and the lives of our residents, and tackle the climate crisis.



▲ The council's plan on a page

OUR MISSION - STAND UP FOR PORTSMOUTH

Our mission is to work together with partners and communities to stand up for Portsmouth, take action to improve the city and the lives of our residents and tackle the climate crisis.

Mission - We will stand up for Portsmouth

Priority: support people around the cost-of-living crisis

How we will do this:

- provide money and benefit advice
- deliver household support grants for those residents and families most in need
- help residents to reduce energy costs by supporting improvements to make homes more energy efficient through schemes like Switched On Portsmouth
- ensure residents have access to free and low-cost activities to enrich their lives through museums, libraries, events programme, seafront offer and open spaces and the Holiday Activities and Food offer
- work with partners to extend support such as community pantries in the city

Priority: work with partners to tackle crime and anti-social behaviour

How we will do this:

- tackle problems that make people feel less secure in their environments such as flytipping and graffiti
- work to target resources such as community wardens and CCTV in areas where we know there are problems
- work closely in partnership with colleagues in the Police to address problems

Priority: work to ensure our residents and communities have access to the health services they need

How we will do this:

- bring together partners in the city to find solutions to the shortage of GPs in the city
- help residents understand what services are available and how they can access the support they need
- work with partners to ensure support for mental health
- lobby at a regional and national level for resource into our city

Priority: attract external funding and have a strong voice in our region

How we will do this:

- bring in funding through the Levelling Up Fund, UK Shared Prosperity Fund and Youth Improvement Fund and continuing to work in partnership with government and other funders to make the case for investment in Portsmouth
- work with our Members of Parliament to speak with a single voice for the city
- work hard to oppose the Aquind development
- work with the government to ensure a sensible solution to the Border Control Post, address the shortfall in funding and provide clarity on what the border controls require

OUR MISSION - WE WILL IMPROVE LIVES

Our mission is to work together with partners and communities to stand up for Portsmouth, take action to improve the city and the lives of our residents and tackle the climate crisis.

Mission - we will improve lives

Priority: deliver major projects that improve the city

How we will do this:

- bring forward a vision, strategy and action plan for the city centre
- finalising a plan to progress the Tipner site
- begin construction of the tower in Arundel Street
- bring forward the scheme to replace the Horatia and Leamington House blocks
- progressing our plan for Cosham
- work to improve our district centres including - Tangiers Road, North End, Castle Road, Palmerston Road, Guildhall Walk, Milton, Cosham
- continue to progress our programme of sea defences
- deliver a programme of enhancements to the city centre

Priority: deliver new affordable homes for local people

How we will do this:

- build 750 new council homes
- buyback council homes including those which had previously been sold under Right to Buy
- develop a sustainable model for providing accommodation for people without permanent homes, including people rough sleeping
- work to expand the HMO licensing scheme to improve standards
- look at new models for providing homes where this will bring better outcomes, such as custom-build options

Priority: take action to improve transport in the city

How we will do this:

- implementing a range of improvements to local bus services to support the Bus Service Improvement Plan (£48 million)
- provide a range of different active travel options and facilities including bike hangars, hire bikes and e-scooters and enhance the cycle lane network in the city make improvements to the road network, including the east-west corridor, Lake Road and 3 major roundabouts
- continue to develop the Transport Hub concept to take traffic off our city roads
- roll out further school and play streets in the city, changing the relationship between cars and the places in the city

OUR MISSION - WE WILL IMPROVE LIVES

Priority: develop ways to help people live independently

How we will do this:

- progress accommodation options for people, including extra care housing at Edinburgh House
- improve some of the services that are needed to help people live independently, such as Meals on Wheels
- support people who have caring responsibilities, rolling out a Care for our Carer's campaign
- recognise that for some people, they need to move somewhere with more support, so developing options for this including Harry Sotnick House

Priority: ensure residents have access to a wide range of cultural opportunities

How we will do this:

- after the successful redevelopment of the Pyramids, continue to transform the city's leisure offer, with schemes in Bransbury Park, King George V Playing Fields and Hilsea Linear Park
- improve our parks and open spaces, including the £2.8m Victoria Park scheme and a People's Park scheme
- take forward reconfiguration of the Guildhall Walk to focus on the cultural value of the area
- continue to support events in the city
- progress the installation of Changing Places toilets in key city locations

OUR MISSION - WE WILL TACKLE CLIMATE CRISIS

Our mission is to work together with partners and communities to stand up for Portsmouth, take action to improve the city and the lives of our residents and tackle the climate crisis.

Mission - we will tackle the climate crisis

Priority: implement our strategy to be a leader in reducing carbon impact of our buildings and activity

How we will do this:

- roll out a £30m scheme to reduce energy usage at Lakeside North Harbour by installing photovoltaic solar panels
- develop greater use of battery storage across our estate
- build a carbon-neutral extension to the Portsmouth International Port
- turn the Port into a living laboratory with future fuels and battery technology to power equipment and ships
- work to reduce carbon emissions in council homes
- look at opportunities to reduce carbon emission in our council fleet, such as powering the waste collection fleet with hydro-treated vegetable oil

Priority: support residents and business to make changes that will tackle the climate crisis

How we will do this:

- continue Switched on Portsmouth for homeowners, and expanding its reach
- work with partners including Shaping Portsmouth and the University to develop a Switched On model for business
- develop a Switched on model for schools

Priority: develop an approach to wider environmental responsibility

How we will do this:

- take a strong approach to reducing waste and increasing recycling in the city, by expanding food waste collection to every home, introducing plastic recycling at locations across the city, planning to introduce kerbside glass collections by 2024, and working towards developing our own anaerobic digestion plant
- create a vision for the landfill site at Horsea Island to focus on ecological and biodiversity outcomes

- continue to hold water companies to account for their actions in the city and challenge them to make improvements
- progress actions in response to recent council declarations around ocean management and nature, including working to reduce the use of pesticides in the city
- continue to make improvements in air quality, including providing clean transport options and rolling out EV charging.

Priority: continue our campaign to green the city

How we will do this:

- deliver rewilding projects, introducing new wildflower meadow, planting new trees and developing community orchards and water gardens
- provide support for the community to deliver greening schemes, including through our Jubilee grants programme and greening funding pot
- ensure a programme of tree replacement in the city where trees need to be removed, including reusing empty tree pits

CITY VISION: IN 2040, PORTSMOUTH WILL BE A HEALTHY & HAPPY CITY



We do everything we can to enhance wellbeing for everyone in our city by offering the education, care and support that every individual needs for their physical and mental health. All our residents and communities live in good homes where they feel safe, feel like they belong, and can thrive.

We will continue to support our city to be happy and healthy by:

- working with partners, including the NHS Integrated Care Board, to implement the measures in the Health and Wellbeing Strategy
- ensuring that people have opportunities to participate in leisure and recreation by improving facilities and ensuring these are accessible and affordable
- continuing to support children and families, by expanding our Mockingbird model for foster care, and strengthening our Corporate Parenting Strategy
- ensuring that homes are safe by maintaining those that we are responsible for and ensuring that standards of safety are achieved for example, installing sprinkler systems

We will track how successful we are in delivering a happy and healthy city by monitoring some key outcome indicators:

- Improvements against Indicators of poverty (including fuel poverty) (PHOF: Public Health Outcomes Framework)
- Reduction in social isolation (PHOF)
- Reduction in suicide rates (PHOF)
- Reduction in homelessness and households in temporary accommodation (PHOF)
- Reductions in substance misuse (PHOF)
- Reductions in hospital admissions for harm (PHOF)
- Reductions in crime and offending (PHOF)
- Increases in physical activity rates (PHOF)
- Increase in use of outdoor space for exercise or health reasons (PHOF)
- Reduction in levels of obesity (adults and children)
- Reduction in days spent by children in alternative care

CITY VISION: IN 2040, PORTSMOUTH WILL BE A CITY RICH IN CULTURE AND CREATIVITY



People in Portsmouth enjoy a vibrant cultural scene that makes the most of our location, our heritage and our creative energy. We are full of things to do and places to be, welcoming locals and visitors with diverse events, attractions and venues that positively benefit our people and our city. We are known locally, regionally and internationally as a great waterfront and city destination.

We will continue to support our city to be rich in culture and creativity by:

- launching the Rediscover Portsmouth campaign
- completing our Heritage Strategy and using this to drive an approach to key heritage assets including the Round Tower
- working with the performance venues in the city to make sure that they are successful and sustainable
- continuing to develop our community centres, libraries and museums as key venues for participation in the community

We will track how successful we are in delivering a city rich in culture and creativity by monitoring some key outcome indicators:

- Audience participation data, including growth in key sectors
- Visitor data.

CITY VISION: IN 2040, PORTSMOUTH WILL BE A CITY WITH A THRIVING ECONOMY



Portsmouth supercharges local businesses and entrepreneurs and attracts investment nationally and internationally from businesses of all sizes. We build strong partnerships between employers and people to develop an excellent skills base and offer brilliant career opportunities to young people, students and adults.

We will continue to support our city economy to thrive by:

- working to finalise a new Local Plan that balances the needs of the city, including the requirement to develop 17,000 new homes over the lifetime of the plan
- playing an active part in the development of Solent Freeport and make sure that Portsmouth maximises the opportunities that are presented
- clearing the backlog of planning applications and develop an efficient model for the service in the future
- implementing our Port masterplan, to create new employment opportunities and enhance the wider city economy
- identifying an alternative use for the Border Control Post facility in the Port.

We will track how successful we are in delivering a city with a thriving economy by monitoring some key outcome indicators:

- Improvements across indicators of poverty (PHOF: Public Health Outcomes Framework)
- Increase the % of 16-64 year olds employed (PHOF), particularly 16-25 year olds.

CITY VISION: IN 2040, PORTSMOUTH WILL BE A CITY OF LIFELONG LEARNING



Our young people are encouraged to develop high, positive aspirations, and are fully invested in to make the most of their talent and potential. Adults have a wide range of education opportunities to choose from at every stage of life that empower them and enrich their lives.

We will continue to support lifelong learning in our city by:

- developing a model of relational practice in our schools, and using this as a basis for a post-pandemic attendance campaign
- developing and implementing a comprehensive strategy for youth provision in Portsmouth
- working with the Portsmouth Education Partnership to move to the next phase of the citywide Digital Learning Strategy
- continuing to support children and families with SEND by looking at our school provision including opening a school in Wymering specialising in supporting children with ASD
- supporting young people to have a voice in decision making by working with the Youth Parliament and Student Voice
- continuing to support literacy opportunities through our library programme

We will track how successful we are in delivering a city of lifelong learning by monitoring some key outcome indicators:

- Educational attainment indicators (PHOF: Public Health Outcomes Framework) including readiness for school
- Reduction in youth offending (PHOF)
- Reduction in teen pregnancy (PHOF)
- Reduced loss of school time through absence and exclusion.
- Library outreach/ event engagement e.g. Bookfest and Summer Reading Challenge

CITY VISION: IN 2040, PORTSMOUTH WILL BE A GREEN CITY



We have excellent air quality because of our green spaces and sustainable transport, and this means our people live healthy and active lives. We are carbon neutral, use renewable energy and actively work to address climate change. We protect and enhance both our land and maritime environment for future generations.

We will continue to support a green city by:

- developing measures to reduce carbon in the city
- supporting biodiversity in Portsmouth, including expanding our countryside management approach to areas such as Milton Common, and looking at measures such as roosting islands
- continuing to implement our Greening Strategy to double tree numbers in the city over the next 25 years and look at other landscape improvements such as green walls
- continuing with measures to improve air quality in the city, including implementing an anti-idling campaign

We will track how successful we are in delivering a green city by monitoring some key outcome indicators:

- Air quality measures
- Carbon emissions measures.

CITY VISION: IN 2040, PORTSMOUTH WILL BE A CITY WITH EASY TRAVEL



Fewer journeys are made by car because we have excellent public transport connections between bus, train, cycling and walking routes, making it easier and more enjoyable to be out and about. We encourage and support more walking and cycling, and we make it easy for people to travel regionally, nationally and internationally for work and pleasure.

We will continue to work towards easy travel in the city by:

- implementing Local Transport Plan 4
- implementing our Local Cycling and Walking Implementation Plan
- rolling out more work in schools about active travel, including bike repairs
- supporting active travel options and launching an Active Pompey Neighbourhood Pilot
- working to deliver a comprehensive improvement to bus services in the city

We will track how successful we are in delivering a city with easy travel by monitoring some key outcome indicators:

- Modalities of travel measures.

OUR VALUES

The city vision sets out the city's values, shared aspirations for the way people will behave towards each other and how it will feel to live here.

Portsmouth people value collaboration, community, equality, respect and innovation.

As a council we share those values with our residents and communities and will make sure the values are at the heart of the way we behave, the way we work and the way we shape our core services and our plans for the future.

Some of the ways that we are seeking to embody the values of the vision in the way we work as an organisation are to:

- support organisations to drive equality, diversity and inclusion in Portsmouth by creating an Equalities and Community fund
- look at how we do our business to see how we can modernise processes and make them more efficient for residents through the use of technology
- implement a social value policy that makes sure we get the greatest value out of spending the Portsmouth Pound, and champion the use of local contractors and supply chains
- explore the options for becoming a Real Living Wage employer
- work closely with HIVE Portsmouth to encourage and value the work of voluntary and community sector organisations and individual volunteers in the city
- consider carefully about the future of the organisation with an ambition to get out of the Civic Offices in the next few years, reducing costs, environmental impact and freeing up valuable space for redevelopment
- work to support the Armed Forces community in our proud naval city, and retaining Gold status for our work in applying the Armed Forces Covenant.



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Agenda Item 4

Title of meeting: Cabinet & Full Council

Date of meeting: 8th September 2022 & 13th September 2022

Subject: Tipner West & Horsea Island East Regeneration

Report by: Tristan Samuels, Director of Regeneration

Report Author Megan Carter, Head of Major Projects

Wards affected: All

Key decision: Yes

Full Council decision: Yes

Executive Summary

This report requests Full Council discount all existing options for Tipner West and agree a set of principles in order to bring forward an alternative option.

These principles are as follows:

- Rules out the 'Significant Land Reclamation' Option (Option A) - original 'Lennox Point' masterplan.
- Rules out 'Do Minimum' Option (Option D)
- Prioritise the protection of the land south of firing range
- Provide a minimum of 1,250 homes which maximises affordable housing & 58,000 sqm of employment space. (Minimum affordable housing at 30%)
- Satisfies the terms of city deal
- Satisfies the requirements of the regulatory bodies including Natural England and the Environment Agency
- Maximises local job creation
- Minimises costs and impact on City Council finances & services to the public
- Minimises land reclamation to meet the principles listed above and provide bio-diversity net gain of a minimum of 10%

The financial implications associated with the option, which are proposed to be discounted are set out in the table below:

Tipner West Scheme Options	Significant Land Reclamation (3,503 units)	Moderate Land Reclamation (2,000 units)	City Deal (1,250 units)	Do Minimum
	Option A	Option B	Option C	Option D
Estimated Residual Funding Gap	£53m	£46m	£55m	£53m
Estimated Further External Funding	Most Likely	Reasonably Likely	0	0
Estimated Residual Funding Gap - After Further External Funding	Unknown but "most likely" to be less than £53m	Unknown but "reasonably likely" to be less than £46m	£55m	£53m
Abortive Costs to be funded in 2022/23 ("One-Off")	None	None	Up to £3.6m	Up to £20.7m
Annual Revenue Costs to be funded in 2023/24 for 10 to 15 Years	None at this stage	None at this stage	£5m	£3m

1.0 Purpose of report

- 1.1. This report provides members with information on the future development options for the area known as Tipner West and Horsea Island East (HIE), to support their decision making.
- 1.2. The land around Tipner Lake was used for many years as a breaker's yard for ships, boats and submarines that had come to the end of their lives. The first evidence that the City Council can find of plans to redevelop this area come from 1952, so it has been an area of concern for 70 years.
- 1.3. Due to these historic uses as well as the more recent firing range, the site is now highly contaminated. There are significant problems with lead and other chemicals from munitions, oil, and other hydrocarbons, as well as deposits from other metals and asbestos. There is evidence of leakage of contaminants into the seawater and mud of Portsmouth Harbour which has persisted for many years.
- 1.4. The sites at Tipner were split in the 1970's by the new main road access into the city, the M275. These sites, visible from the new raised access routes, are for many Portsmouth residents (and investors), form the gateway to the city. Most also agree that the current collection of derelict buildings, vacant land and decaying ships does not speak to the aspiration of the city and does not serve to promote Portsmouth as the Great Waterfront City.
- 1.5. Portsmouth is a densely populated city with little room to grow, bounded on three sides by the sea and to the north by Portsdown Hill which in turn is surrounded by an area of Outstanding Natural Beauty, the South Downs. Within this dense urban environment there are a number of real needs for the people of Portsmouth, with a shortage of decent, affordable housing and around 2,238 households on the current housing waiting list. There is also an overwhelming need for more local jobs, so that families can have the incomes and opportunities to thrive.
- 1.6. Tipner West offers one of very few industrial coastal sites with access to deep water anywhere in the south of England. As such, it has national importance in offering opportunity to grow the maritime sector of the UK economy as well as securing the economic base of the city
- 1.7. The City Council is striving to find a use for this derelict area and has succeeded in securing £48.75 million from the Government to explore how best to maximise this rare funding and place making opportunity. The site, however, presents great challenges to the City Council to provide a financially sustainable approach, which protects the area from rising sea levels, supports the environment, and creates jobs and homes for local people.
- 1.8. It is particularly important to appreciate that to 'do-nothing' will mean the loss of the existing land mass to flooding, including the Harbour School, as well as the loss of the inter-tidal and terrestrial habitats that form part of the designated nature conservation sites
- 1.9. As demonstrated previously the area known as Tipner West & Horsea Island east presents a unique opportunity. It has the capability to deliver up to 3,500 new homes,

including up to 1,050 much need affordable homes for existing and future residents of the city, along with over 3,000 new marine & maritime jobs on site for local people.

- 1.10. This report follows a number of recent decisions¹ that have affected the project. These include:
- The resolution of Full Council on [13th October 2021](#) to pause the work associated with an option for Tipner West that included significant land reclamation. This included design and development work.
 - The report to Full Council on [6th December 2021](#), in response to the motion of the [13th October 2021](#), which highlighted the options that had previously been explored and explained why 'Significant Land Reclamation' (Option A) had been the preferred option agreed by [Cabinet in October 2020](#).
 - The meetings of the Local Planning Authority's (LPA) cross-party working group tasked with reviewing major development sites across the city, as part of preparing a Regulation 19 document for the Local Plan, including exploring options for Tipner West.
 - The decision of the Cabinet on [26th July 2022](#) to amend the Local Development Scheme, in line with the conclusions of the cross-party working group, inter alia to include the provision of c1250 homes on the existing land mass at Tipner West
- 1.11. The promoter team recognises the preference expressed by the Local Planning Authority's cross Party working group for the development of Tipner West & Horsea Island East based on the existing land mass, which seeks to achieve the outputs of the City Deal.
- 1.12. The promoter team is unable to progress any development on Tipner West unless there is reasonable assurance that the funding for the scheme is likely to be received.
- 1.13. The promoter team therefore seeks a decision on a set of principles which allows an option to progress which is considered to be acceptable on social, economic and environmental grounds as well as being affordable to the Council in the context of the continuing delivery of Council Services.
- 1.14. This work will be necessary to enable the Council, as landowner and promoter, to demonstrate the deliverability of the chosen scheme to satisfy the requirements of the Local Plan process, including its Examination. Any decision made on Tipner West & Horsea island east will impact the Local Plan Regulation 19 position which will be presented to Full Council for approval in 2023.
- 1.15. To note the Council's role as promoter in this project, as outlined in the City Deal contract, is to design a deliverable scheme in line with principles (as identified in 2.10) set by Full Council. The promoter will obtain detailed planning for the critical enabling infrastructure (such as roads, bridges, sea defences and land raising) and outline planning for a master plan. The Council will implement the delivery of the critical infrastructure and enable future applications by the Council or third-party developers for the delivery of homes and employment facilities.

¹ Please note since 2014 no decisions relating to development at Tipner West have been subject to call in.

2.0 Recommendations

These recommendations consider 4 options which are outlined in Appendix D and Section 5 of this report. These include:

Option A	'Significant Land Reclamation'
Option B	'Moderate Land Reclamation'
Option C	'Existing Land Mass'
Option D	'Do Minimum'

That Full Council:

- 2.1 Notes that all options, including 'Do nothing'/'Do minimum', are likely to have a significant effect on the Portsmouth Harbour SPA and Ramsar site requiring the derogation tests of alternatives and imperative reasons of over-riding public interest (IROPI) be applied and met under the Habitats Regulations.
- 2.2 Notes that for all options, including 'Do nothing'/'Do minimum', a substantial funding gap exists which will need to be funded either from the Council's own resources or from further external funding; Prudential borrowing is unavailable in these circumstances to fund any gap (deficit) as described in section 8.
- 2.3 Notes that it is unlikely that any further external funding will be available for either the Option D 'Do Minimum', or Option C 'Existing Land Mass', over and above that already assumed within their respective funding gaps, as set out in Section 8.
- 2.4 Notes the financial implications of Option D, 'Do Minimum', are as follows:
 - a) Full Council will need to add up to £3m annually into the Council's Capital Programme for the next 10 to 15 years
 - b) accordingly, Full Council will be required to approve savings in the Revenue Budget of £3m at the point that a decision is made and to take effect from 2023/24 in order to facilitate a revenue contribution to the Capital Programme given that Capital Funding of up to £3m annually cannot reasonably be forecast to be available; in the current climate, this would have a serious impact on Council jobs that deliver local services.
 - c) there would be abortive costs of up to £20.7m that would need to be accommodated within the Revenue Budget for the current year and the associated savings approved at the time the decision is taken
- 2.5 Notes the financial implications of Option C, 'Existing Land Mass', are as follows:
 - a) Full Council will need to add up to £5m annually into the Council's Capital Programme for the next 10 to 15 years
 - b) accordingly, Full Council will be required to approve savings in the Revenue Budget of £5m at the point that a decision is made and to take effect from 2023/24 in order to facilitate a revenue contribution to the Capital Programme given that Capital Funding of up to £5m annually cannot reasonably be forecast to be available; in the current climate, this would have a serious impact on Council jobs that deliver local services.
 - c) there would be abortive costs of up to £3.6m would need to be accommodated within the Revenue Budget for the current year and the associated savings approved at the time the decision is taken

- 2.6 Notes that whilst it is not certain that the funding gap for Option B, 'Moderate Land Reclamation', or Option A, 'Significant Land Reclamation', can be fully mitigated, there is greater opportunity to attract further funding and/or value engineer (reduce costs) for developments of larger scale, thus reducing the funding gap; on that basis it would be premature to plan for a further capital funding requirement (and therefore any consequent Revenue savings requirements) at this stage
- 2.7 Notes that in order to protect the land from flooding, including existing homes and businesses at Tipner and Stamshaw, flood defence works are required for any of the options to 'Hold the Line' in accordance with the North Solent Shoreline Management Plan approved by Portsmouth City Council and the Environment Agency.
- 2.8 Notes that there have been numerous options explored including 'Significant Land Reclamation'(Option A), ' Moderate Land Reclamation' (Option B), 'Existing Land Mass' (Option C) and 'Do Minimum' (Option D), all of which have been of value to test the viability of delivery, the design of the site, and build knowledge of the capabilities of the site. Optioneering for this site comes at significant cost. The development at Tipner West will be one that impacts future generations and the opportunities the city can provide for them; Full Council now needs to move to a decision for the future of Portsmouth residents whilst minimising a costly impact on the council's finances and ability to deliver services.
- 2.9 Seeks to deliver an affordable option on Tipner West and Horsea Island East, preserving the current delivery of Council Services, that looks to combine various options.
- 2.10 Full Council approves a series of principles in order to bring forward a scheme for development on Tipner West and Horsea Island East. The principles are as follows:
- Rules out the 'Significant Land Reclamation' Option (Option A) - original 'Lennox Point' masterplan.
 - Rules out 'Do Minimum' Option (Option D)
 - Prioritise the protection of the land south of firing range
 - Provide a minimum of 1,250 homes which maximises affordable housing & 58,000 sqm of employment space. (Minimum affordable housing at 30%)
 - Satisfies the terms of the City Deal
 - Satisfies the requirements of the regulatory bodies including Natural England and the Environment Agency
 - Maximises local job creation
 - Minimises costs and impact on City Council finances & services to the public
 - Minimises land reclamation to meet the principles listed above and provide bio-diversity net gain of 10% as a minimum.
- 2.11 In order to support delivery of an option aligned with these principles, Full Council approves the continuation of a cross-party working group to help inform and respond to proposals as presented by the promotor team.

- 2.12 Notes that any option approved, or principles approved to determine an option, that results in a scheme where further funding does not have a realistic opportunity of being realised, will likely result in an overall scheme deficit of circa £50m and will require the Full Council to:
- a) add up to £5m annually into the Council's Capital Programme for the next 10 to 15 years
 - b) approve savings in the Revenue Budget of £5m at the point that a decision is made and to take effect from 2023/24; in the current climate, this would have a serious impact on Council jobs that deliver local services.
 - c) meet the abortive costs amounting to up to £3.6m which would need to be accommodated within the Revenue Budget for the current year and the associated savings approved at the time the decision is taken
- 2.13 Notes that further funding opportunities for any option can only realistically be explored when Full Council has an approved planning application and a full business case for its preferred Tipner West & Horsea Island East scheme. Previous successful funding bids are outlined in Appendix G.
- 2.14 Notes that further delays to determining the scheme to promote at Tipner West and Horsea Island East will result in additional cost to the Council.

That Cabinet, on the basis of Full Council decisions above:

- 2.15 Agrees to progress with the design of an option for the land at Tipner West and Horsea Island East that responds to the principles agreed by Full Council (2.10 above), that limits the residual financial burden (i.e. after all realistic attempts to attract further funding) to the Council to not more than £10m, and instructs the Director of Regeneration on behalf of PCC as the promoter of the site, to work up an associated planning application and business case.
- 2.16 Agrees further spending of up to £7.7 million from the City Deal funding (as described in 4.7-4.10) to prepare the planning application and business plan for the approved option; this expenditure will be subject to criteria and gateways which will be agreed by the Section 151 Officer and Leader of the Council and after consultation with the Group Leaders, prior to expenditure being incurred.
- 2.17 Agrees that the delivery programme will highlight in advance gateway review points in which updates and supporting information will be provided to Full Council.

3.0 Background

City Deal

- 3.1 The regeneration of Tipner West and Horsea Island, to deliver housing and employment, has been a long-held priority for the Council, spanning over 50 years. More recently the plans were endorsed by Full Council alongside a decision to include part of the site in the 2012 Local Plan and again on [6th January 2014](#) when Cabinet resolved to implement and accept the City Deal contract from central government.

3.2 City Deal noted that coastal regions can be uniquely challenged and there are many examples across the UK of places that have seen significant decline with a corresponding fall in prosperity and living standards.² It is recognised that Tipner's fragmented ownership and abnormal constraints and infrastructure costs are barriers to growth. However, Portsmouth has enviable geographic advantages, including its proximity to the world's busiest shipping route and more connections to Europe than any other UK port. Complemented by a deep-water harbour, Portsmouth and the Tipner West and Horsea Island East sites are well placed to harness the opportunities that this competitive advantage provides.

3.3 Following full evaluation by central government, the £48.75m City Deal grant was awarded to the Council in recognition that despite the opportunities the site offered for regeneration, the challenges were so great and costly that the private market would not be able to resolve them. The City Deal agreement states:

The site is 'unlocked by assembling public/private sector land and agreeing funding packages to support the provision of enabling infrastructure. Both funding packages will lever in significant local and/or private sector investment.' (City Deal page 5)

*'Agree a **funding package** for both sites utilising significant local funding sources, private sector investment (including developer contributions) and Government investment. This funding will facilitate the provision of enabling infrastructure to be undertaken – making these sites ready for private sector investment.'* (City Deal agreement, Page 4)

*'Support **land assembly** on the Tipner-Horsea island site...'* (City Deal agreement, Page 4)

3.4 The land had lain largely derelict for over 50 years and the prospect of bringing this site into productive economic use, in particular the identified need for the site to assist underpin the region's marine and maritime manufacturing sector and provide homes for those employees, was a compelling proposition for government and became the cornerstone of the City Deal. The Deal presented an opportunity for the Council to drive the regeneration of Tipner West forward. The City Deal grant monies were made available to the Council to undertake the considerable investigative and design work that it was recognised by Government to be necessary in order to devise a viable development scheme for the highly constrained land.

3.5 The Council and Government, in agreeing the City Deal, recognised that the site was constrained by issues including flood risk, contamination, multiple ownerships and access. These issues, together with the protected characteristics of the environment, all deter market-led development. Work on potential development for Tipner West has been underway since 2012, in order to seek to maximise the benefits of the site for the city. In the period up to and including 2018, the work undertaken on behalf of the Council demonstrated that the most deliverable option with the lowest viability gap was to seek an option that enabled a true community to develop at Tipner West, but which required reclamation from Portsmouth Harbour.

3.6 In Q2 2019, in line with the City Deal contract, the Council chose to operate as both 'promoter' to develop the site and 'regulator' as the Local Planning Authority (under the Town Planning Acts. As promoter, the Council set up a team to further pursue the opportunity, to undertake all necessary investigations, master-planning, and evaluation of options.

² [Coastal towns in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

- 3.7 The promoter team, using City Deal grant funding, was to undertake necessary survey and design works to identify the best options for the site, coordinate the land assembly, planning and upfront infrastructure works to de-risk the sites and make the sites attractive for private sector development. The transfer of the MoD firing range land to the Council, in November 2020, was the first phase of the land assembly, and other land parcels continue to be progressed as a necessary pre-cursor to unlocking some of the complexities that have delayed past decision making and deterred private sector investment.
- 3.8 On [5th February 2019](#) Cabinet approved the Local Planning Authority as regulator and in preparing the revision of the City Local Plan, to conduct a Regulation 18 consultation for the expanded development of the City Deal site to include reclamation of land to support the viability of the development as had been demonstrated as necessary in the work undertaken to that date. The consultation received 344 responses, and these showed broad support for the option that including reclamation. These results were reported to Cabinet on [24th July 2019](#).
- 3.9 [In October 2020](#), Cabinet reviewed the work undertaken by the Council's promoter team on the 'Significant Land Reclamation' proposal. That proposal delivered a greater level of positive social, affordable, economic, and environmental outcomes than all of the alternatives it had considered previously. It was agreed by Cabinet that this proposal provided the greatest future opportunities to meet the city's needs, as well as being a more deliverable scheme.
- 3.10 Following the agreement in [October 2020](#) significant further work, including time-limited environmental surveys, were undertaken. (These run the risk of becoming out of date if the project is unable to move forward swiftly).

Environmental Impact

- 3.11 Cabinet and Full Council have been briefed that for any proposal on this complex site to be successful, it would be subject to independent advice by Natural England, the Environment Agency and the Marine Maritime Organisation as part of the Habitat Regulations and Environmental Impact Assessments as well as any case required to demonstrate Imperative Reasons of Overriding Public Interest (IROPI) due to the impact to the Portsmouth Harbour environmental protections, including the Special Protection Area and Ramsar.
- 3.12 It has been made clear by Natural England that any option proposed for Tipner West, including the 'Do Minimum' option (Option D), due to construction of flood defences, could have significant effects on the Special Protection Area (SPA) and would require a Habitat Regulations Assessment (HRA) and potentially an IROPI case to be made.
- 3.13 As a result of 3.9 the promoter has confirmed with the Regulator Panel³ that all options being considered will require offsite habitat compensation to be provided as part of the application process. Natural England, as a regulatory body, determine the radius within which the compensatory land must be provided following their assessment of the biogeographical reach of the relevant species.

³ Panel brought together through the Local Planning Authority which includes statutory regulators and bodies that advise the Secretary of State including the Environment Agency, Natural England, and the Marine Maritime Organisation.

3.14 In [October 2021](#) a motion to pause was presented to Full Council. This led to a pause in progressing the plans for the scheme that the Council had been progressing since 2016 and which had been through various gateways and Local Plan iterations.

Current position

3.15 The report produced in [December 2021](#) was written following the Full Council resolution to pause, and outlined the following:

- Noted the economic benefits of the options, and how they would impact on the economic sustainability of the city
- Reviewed the original options that led Cabinet to support the recommendations in October 2020 and led the promoter to progress a planning application for the "preferred" option as the most financially viable and deliverable.
- Noted the promoter team's assessment of the opportunities and constraints of the site at Tipner West and Horsea Island East (HIE)
- Noted the promoter team's summary of the environmental considerations and associated necessary assessments by independent inspectors and statutory stakeholders on issues such as reclamation, wildlife and habitat impact, mitigation, and compensatory measures
- Provided further details on background research, surveys and reports that had led to the recommendation to progress Tipner West with Significant Land Reclamation (Option A).

3.16 A cross party working group was established to support the Local Planning Authority as part of the Regulation 18 & 19 process, and to assess the spatial options for development to be included in the emerging local plan. Options provided by the promoter team to the for Tipner West and Horsea Island East were presented as part of these discussions. These options are referenced in Appendix D and Section 5 of this report.

3.17 Following these discussions, the cross-party working group noted that their preference was for development on the existing land mass.

Flood Risk - See Appendix I

3.18 Portsmouth's sea-levels are predicted to rise by around 70cm over the next 70 years.

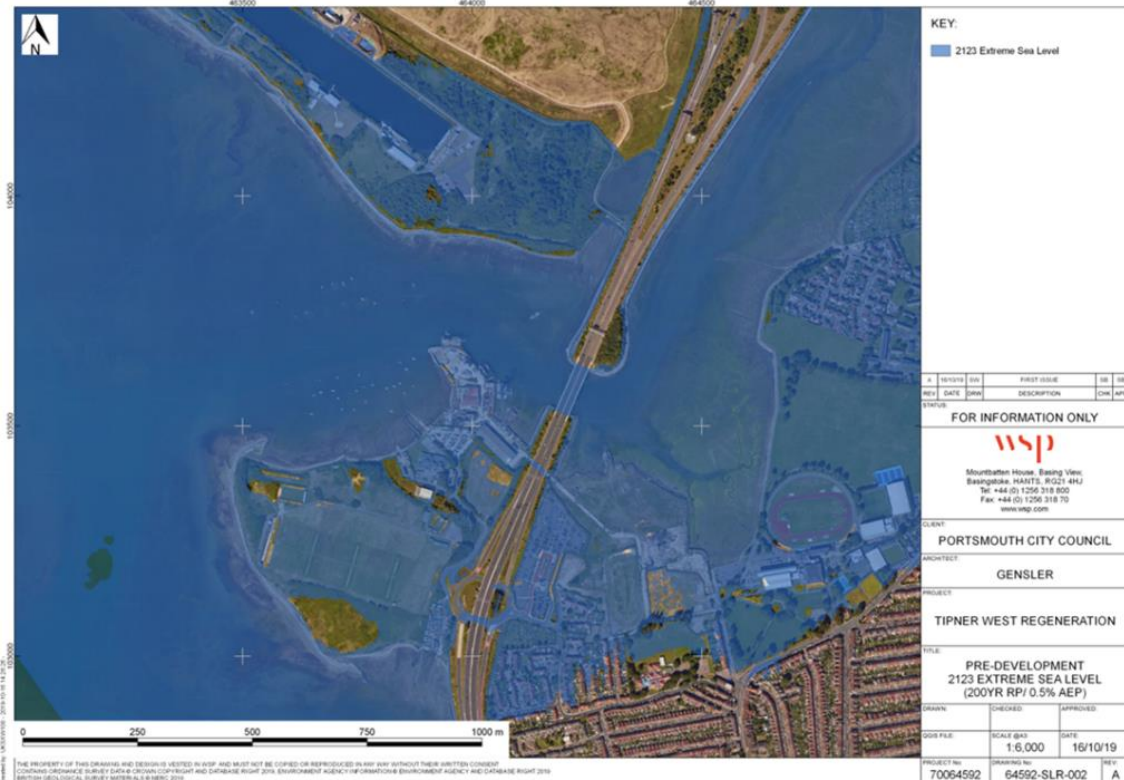
3.19 The existing coastal defences at Tipner West are in poor condition. The 2011 Portsea Island Coastal Strategy Study⁴ estimated that defences on Horsea Island East may fail within 5-10 years, and within 10-15 years on Tipner West. Due to lack of maintenance over recent years, there is an increasingly high risk that these defences could fail sooner.

3.20 As there are no homes on the Tipner West site, it is extremely unlikely that flood defences would be funded by the Environment Agency under their current policies and must therefore be funded by the Council.

⁴ [https://coastalLocalPlanning Authoritytipners.org.uk/static/media/resources/2011-04-14-portsea-star2-11-final-revc-blanked-sigs.pdf](https://coastalLocalPlanningAuthoritytipners.org.uk/static/media/resources/2011-04-14-portsea-star2-11-final-revc-blanked-sigs.pdf)

- 3.21 It is important to appreciate that to 'Do Minimum' (Option D) will mean the loss of the existing land mass to flooding, including the Harbour School, as well as the loss of the inter-tidal and terrestrial habitats that form part of the designated nature conservation sites. It is anticipated that intertidal habitats are likely to see a 40% reduction by 2120.
- 3.22 In addition, flooding would leak through to Tipner East and Stamshaw, as shown in the image below. The image shows the estimated extent of flooding by 2123 – accounting for 100 years climate change and assuming that nothing is done to protect Tipner West.

Figure 1: Extreme Sea Level (0.5% Annual Exceedance Probability) – Pre-Development Scenario



- 3.23 The sites at Tipner West and Horsea Island East continue to represent a unique opportunity to shape the future of Portsmouth, not only as the gateway to the city but the opportunity to create space for the high-quality jobs, new homes and the critical infrastructure the area needs, as well as providing vital support to the Solent’s marine and maritime sector that is unlikely to be delivered elsewhere. These are vital components for the future economic vibrancy and sustainability of the city and region.
- 3.24 The development of this site, with an emphasis on marine and maritime employment, creates an opportunity to meet demand from that sector, help secure Portsmouth's economic future, and complement the Solent Freeport.

4.0 Reasons for recommendations

Progressing an option

- 4.1 The parameters that are to be agreed at Full Council must consider the following

- 4.1.1 The Cross-Party Working group has considered spatial options in context of the strategic housing need and considering the least environmental harm. These groups were not tasked to consider detailed design, the financial burden or the local housing need as defined by the council's Housing team.
- 4.1.2 City deal requires Tipner West to deliver 1,250 homes & 58,000 sqm of marine and maritime employment space by 'unlocking this critical employment and housing site'.
- 4.1.3 Portsmouth faces a significant local housing need. As of December 2021, the housing register (waiting list) for affordable accommodation has 2,238 households on it waiting to be housed (Appendix C- item 3.3.9). Development at Tipner West and Horsea Island East presents an opportunity to provide affordable homes for local people to live and to work.
- 4.1.4 The creation of a new aspirational place for Portsmouth residents to live on the Tipner peninsular requires careful consideration to avoid isolating this new community. Consideration to how open spaces, connecting infrastructure and community amenity all made available to support this new place is critical.
- 4.1.5 All options require capital funding, including 'Do Minimum'. This is further explained in the Director of Finance comments (Section 8)
- 4.2 The options previously proposed are detailed in Section 5 and Appendix C & D
- 4.3 Subject to approval of these recommendations the promoter will bring forward, in collaboration with the cross-party working group an option that responds to the principles agreed in 2.10.
- 4.4 The promoter team will then look to bring forward two applications which will be necessary to deliver the preferred option:
- **Town and Country Planning Act ('TCPA')** – A hybrid planning application for the main development that provides detailed consent for the infrastructure and outline planning consent for the housing and employment development to be followed by reserved matters applications for phases of the development.
 - **Transport Works Act 1992 ('TWA')** - An application to the Secretary of State for any works which may cause interference with the public right of navigation. This is likely to include the works to enable marine employment (bridge and dredging).
- 4.5 The applications will require a Habitats Regulations Assessment. Depending on the conclusion of that Assessment (i.e., should it identify a material adverse effect on the SPA after mitigation), it may also be necessary to set out an IROPI case which, in the absence of any alternatives, justifies a derogation from the Regulations provided compensatory measures are secured. An opinion on whether or not IROPI are present can be sought from the Secretary of State by the Local Planning Authority in advance of any local plan or planning application promotion– the information supporting such a request would be prepared by the promoter.
- 4.6 There is a need for a clear directive from Full Council and Cabinet on the principles for a preferred way forward in order to:

4.6.1 Progress with a deliverable preferred option for Tipner West and Horsea Island East area, which, as a minimum, delivers the development in line with the City Deal contract and to create deliverable development plans for this site sufficient for the two necessary applications.

4.6.2 Maintain the positive engagement with the property and development industry for investment in the city.

4.6.3 Enable full benefit to be secured from the extensive survey work that has been undertaken; there is a risk that further surveys will become out of date unless the necessary applications are submitted by September 2023. This largely relates to environmental surveys which are generally valid up to 18 months.

Expenditure required and impact

4.7 A standard level for professional fees would usually be benchmarked at between 8% and 13% of construction costs in general as a guiding principle.

4.8 The fees required to deliver a planning application for the 'Existing Land Mass', or 'Moderate Land Reclamation' option are as follows:

Non consultancy costs	£1.2 million
External Legal costs	£1.3 million
Multidisciplinary team	£5.2 Million
Total fees required	£7.7 million ⁵

4.9 Tasks to bring forward an outline application include:

- Revised concept masterplanning
- Revised development appraisals
- Detailed masterplanning and preparation of new Design and Access Statement
- Preparation of Outline Planning Drawings
- Preparation of new Parameter Plans
- Revised Environmental impact assessments (EIA) Scoping
- Preparation of new EIA
- Planning Statement preparation
- Public consultation and preparation of Statement of Community Engagement
- Design Code (to be confirmed as could be conditioned to streamline application)
- Environmental surveys
- Technical assessments
- Engineering drawings
- Engagement with statutory and non-statutory stakeholders
- Review of off-site compensation requirements
- Engagement with landowners to provide compensation

⁵ Should 'Significant Land Reclamation' (Option A) or 'Do Minimum (Option D) be chosen as the preferred option by Full Council the fees would be reduced.

- Biodiversity Net Gain proposals
- Review of and amendments to business case

Please note further detail on the fee assumptions and task list is provided in Appendix A

4.10 If £7.7 million is approved it would take the total use of the Government grant to £28.4m. To avoid additional (abortive or duplicate) costs being incurred this would be subject to the commercial gateways and due diligence required by the Section 151 officer and Leader of the Council prior to the expenditure being incurred in consultation with group leaders.

5.0 Options

5.1 The promotor team, provided options to the Local Planning Authority, including a 'Do Minimum' option. These are presented below. (Figure 2).

5.2 The benefits and disbenefits of these options are outlines in Appendix D.

Figure 2- Promotor options for Local Planning Authority	Significant Land Reclamation (3,500 units) Option A	Moderate Land Reclamation (2,000 units) Option B	Existing Land Mass (1,250 units) Option C	Do Minimum Option D
Homes	3,500	2,000	1,250	0
Mix (house: apartments)⁶	45: 55	60: 40	60: 40	N/A
Land mass used	Yes	Yes	Yes	N/A
Population	6,993	4,174	2,608	N/A
Employment	9ha/58,000sqm	9ha/58,000sqm	9 ha/58,000sqm	N/A
Max height	10 (for a few iconic feature towers but generally under 6 storeys)	6	6	N/A
Open space requirement @ 1.85Ha per 1,000 population	12.94ha (Circa 8-9 hectares on site at Tipner West and circa 4-5Ha	7.72ha Majority offsite	4.83ha All offsite ⁷	N/A

⁶ With the scale of development proposed with the 'Significant Land Reclamation' (Option A), the scheme is able to support a larger proportion of higher density apartments that is not traditionally seen in smaller schemes. This is due to the place making effect through delivering well thought out community infrastructure and local amenity projects. For schemes of fewer unit numbers on the existing land mass, the proportion needs to be more housing focussed as the wider place making benefits of community infrastructure project and local amenity will not be present.

⁷ This option assumes that the Horsea Island East bridge link is delivered connecting residents from Tipner East, Tipner West and Port Solent to the proposed Country Park.

	assumed at Horsea Island Country Park)			
Reclamation	27ha	14ha to provide 12ha additional developable land	Minimal	None
Special Protection Area Impact (ha)	153ha	136ha	119ha	Flood defence impact
Compensation Area (Ha)	180ha	130ha	80ha	Minimal
No. of affordable (minimum 30%)	1050	600	375	0
New school provided	Yes	No- use up existing capacity in the city	No- use up existing capacity in the city	No
Community centre	Yes	Potentially	No	No
Development on Firing Range	Y	Y	Y	N
Estimated Viability Gap (incl. Potential Homes England Funding)	£53m	£46m	£55m	£53m
Likelihood of External Funding to Bridge Residual Viability Gap Please note - planning permission is required to secure additional funding.	Most Likely <ul style="list-style-type: none"> ▪ Gap = £15k per unit ▪ Significant Community Infrastructure Significant Open Space 	Reasonably Likely <ul style="list-style-type: none"> ▪ Gap = £23k per unit ▪ Some Community Infrastructure Some Open Space 	Very Unlikely <ul style="list-style-type: none"> ▪ Gap = £44k per unit ▪ No Community Infrastructure Minimal Open Space 	Very Unlikely <ul style="list-style-type: none"> ▪ Gap = £53m ▪ No Development

5.2 Significant Land Reclamation- Option A

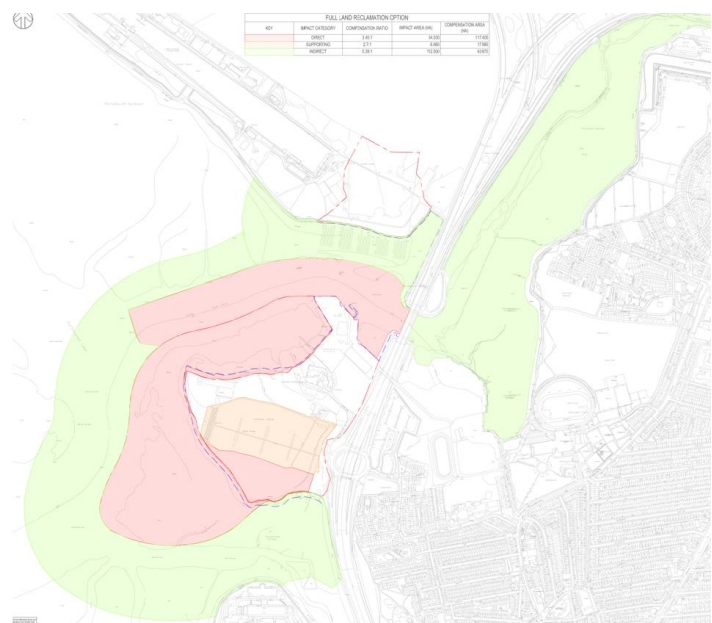
This option was previously highlighted by the promoter team as the most deliverable option in terms of its physical delivery by the development market and its financial viability whilst meeting the housing, economic development, and amenity requirements for the local area. It is also the option most likely to attract external funding, including Homes England support, as it delivers a quantum of development which enables a sustainable community given the geography of the site.

Significant land reclamation option (SLR)

3500 homes
 58,000sqm marine employment
 153ha SPA impact
 180ha compensation area
 12.94ha open space



Environmental Impact Zones SRL



FULL LAND RECLAMATION OPTION				
KEY	IMPACT CATEGORY	COMPENSATION RATIO	IMPACT AREA (HA)	COMPENSATION AREA (HA)
	DIRECT	3.45:1	34.03	117.4
	SUPPORTING	2.7:1	6.66	17.98
	INDIRECT	0.39:1	112.5	43.87
	TOTALS	-	153.19	179.25

5.3 Moderate Land Reclamation- Option B

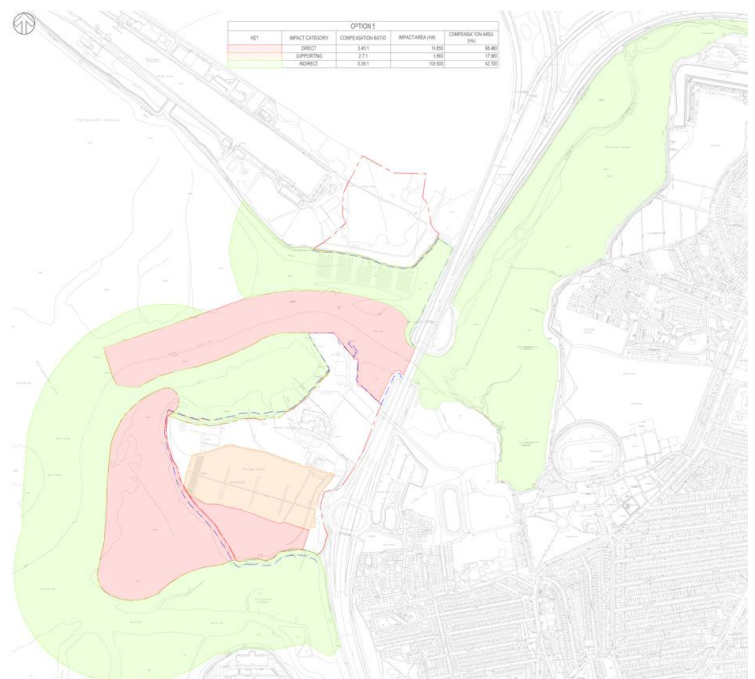
Following the campaign by the RSPB and HIWWT, this compromise spatial option has been put forward providing some land reclamation in order to help achieve PCC's housing targets whilst assisting to close the viability gap that is presented by Option C, existing land mass. This option provides an opportunity to explore a balanced community but, as with the 'Existing Land Mass' option (Option C) currently shows residential with reduced open space and some community provision but providing a market facing quantum of houses to apartments. The promoter team have requested to work with Members to explore this option further, flexing the amount of land reclamation and housing numbers to balance harms and benefits in line with the principles proposed. A detailed masterplan for this development could provide opportunity, with decreasing housing numbers, for revised open space looking to minimise disturbance to the South (hatched area below).

Moderate Land Reclamation option (MLR)

2000 homes
 58,000sqm marine employment
 136ha SPA impact
 130ha compensation area
 7.72ha open space



Environmental Impact zones
 MLR



OPTION 5				
KEY	IMPACT CATEGORY	COMPENSATION RATIO	IMPACT AREA (HA)	COMPENSATION AREA (HA)
	DIRECT	3.45:1	19.85	68.48
	SUPPORTING	2.7:1	6.66	17.98
	INDIRECT	0.39:1	109.5	42.7
	TOTALS	-	136.01	129.16

5.4 Existing Land Mass- Option C

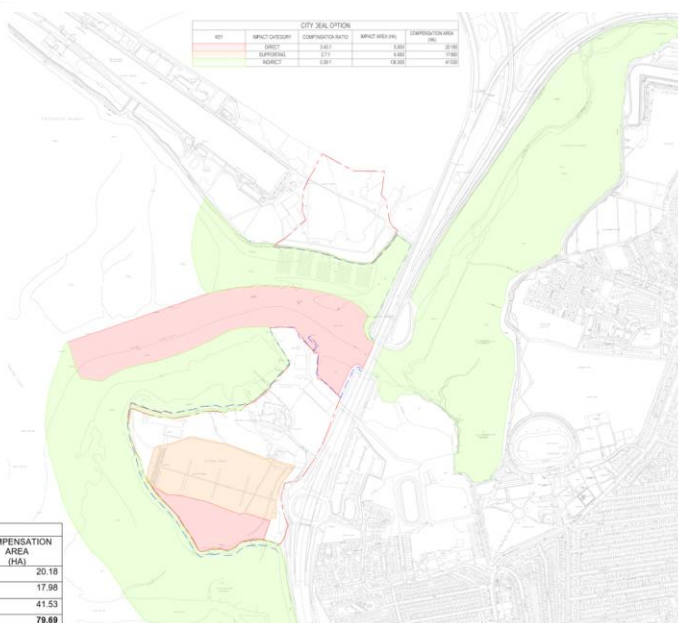
The site is complex and requires funding. With a smaller land area and competing priorities this option struggles to achieve financial viability on a per dwelling basis. This option is least likely of the development options to attract the highest levels of grant funding from Homes England. This option, due to its reduced scale, is least likely to provide for a sustainable community and local amenity while meeting the City Deal housing numbers. This development will be reliant on existing local amenities in the surrounding developments and Port Solent area. The option presented to Members which addresses the City Deal requirement would need to be high density, provide minimal community amenity and limited levels of public open space.

Existing land mass

1250 homes
58,000sqm marine employment
119ha SPA impact
80ha compensation area
4.83ha open space



Environmental Impact Zones Existing land mass



5.5 Do Minimum- Option D

5.5.1 It is not considered feasible that a 'do nothing' option exists for Tipner West, hence a 'Do Minimum' option is being explored. This was also included within the report (item 7.1).

- **Natural England as a statutory consultee has also confirmed that even in the 'Do-Minimum' scenario a Habitats Regulation Assessment is required.**
- sea levels are rising and habitats will be affected as they are not protected as this work is unfunded
- doing nothing to the existing land mass is, at best, a short-term position as flood defences will be required at significant cost
- installing flood defences will result in environmental damage
- should the defences fail, there is a risk of releasing contaminants present in the ground into Portsmouth Harbour and polluting designated nature conservation sites.
- the Council may be required to return the £48.75m City Deal funding to central government.
- the Council, having entered into a contract to deliver the City Deal and signed up to a "hold the line" approach to its sea defences ([Portsea Island Coastal Strategy](#)), has ruled-out do nothing or 'Do Minimum' options as these conflict with these primary criteria.

5.5.2 All options will require offsite habitat compensation as part of any application brought forward that incorporates the bridge or dredging and for some marine edge treatment depending upon design. The radius within which the compensatory land must be provided is determined by the biogeographical reach of the relevant species which is confirmed by Natural England.

RSPB and HIOWWT Option

5.5.3 Following their campaign, The Royal Society of the Protection of Birds (RSPB) and Hampshire and Isle of Wight Wildlife Trust (HIOWWT) have promoted a series of 'concept drawings to show the Council it is possible to create homes at Tipner West for people and wildlife while still respecting legal protection and the needs of nature'.

5.5.4 These two wildlife groups were invited to present their thoughts to the Tipner West Regulatory Panel which brings together the 'DEFRA-family' regulatory environmental bodies - Natural England, the Marine Management Organisation, and the Environment Agency, as well as advisory bodies such as Coastal Partners and the RSPB and HIOWWT themselves. Their presentation was made on 23 May 2022 (see Appendix F, including summary minutes).

5.5.5 The concepts presented include images and the principles the two groups suggest should guide development rather than a development proposal itself. Those principles are to 'Avoid any direct damage to protected areas for nature; Mitigate indirect impacts to the protected areas; and Create space for wildlife within the Tipner

West development; as well as not pursuing the previous preferred option of 'Significant land reclamation' (the 'Lennox Point super-peninsula'). It is understood that the RSPB and HIOWWT have no specific proposals for the Tipner West site that can be directly compared to other schemes.

5.5.6 An initial assessment carried out by the promotor team of the concept found that the development expressed by the concept drawings would:

- Not protect the southern section of the peninsula from flooding, thereby losing it either for development or as protected habitat
- Conflict with the Council's 'hold the line' position
- Reduce the developable area of the site
- Deliver insufficient land for marine employment to meet City Deal obligations
- Deliver only circa 785 homes if developed at a similar density to what was being proposed by Portsmouth City Council.
- Deliver no publicly accessible open space for the community
- Be insufficient in scale to meet the viability criteria for a school or community centre
- Create a development of insufficient scale to support local shops/services, meaning that residents would need to travel out of the estate to meet their daily needs for recreation and sustenance.

5.5.7 Many of the RSPB and HIOWWT's principles of mitigating for indirect impacts to the protected areas and creating space for wildlife within the Tipner West development were integral principles of the former 'Significant Land Reclamation' (Option A) and should be part of any proposal for this site.

5.5.8 The RSPB/HIOWWT presentation offers no quantification of the relative impacts of the Councils current option vs their own RSPB/HIOWWT option. There is thus no evidential basis on which a decision maker could conclude that one is better, or worse, than the other in biodiversity terms. The objection, and the alternative proposals, rely upon the avoid-mitigate-compensate principle which is overly simplistic in this complex case and will not necessarily deliver the best ecological outcomes. Both the PCC and the RSPB/HIOWWT schemes would be required to fully mitigate their respective effects and to deliver biodiversity net gain.

6 Equality impact assessment

6.1 An Equality Impact Assessment will be undertaken as part of the master planning and public consultation work and will form part of the planning application.

7 Legal implications

7.1. There are no direct legal implications arising from the recommendations in this report. Legal Services will continue to provide legal oversight and support to the project as it develops.

7.2 The recommendations made in this report fall within the definition of a 'key decision' and are therefore reserved to the Cabinet, with the exception that the decision on the additional capital funding that is required to be added to the Corporate Capital Programme is within the remit of the Full Council.

8 Director of Finance's comments

8.1. The key financial considerations associated with the recommendations contained within this report are:

- The costs, risks and residual financial burden on the Council associated with the alternative scheme options for Tipner West
- The associated implications for the Council's future Capital Programme and the impact on the future delivery of Council Services
- The implications of opting to change to an alternative development scheme, resulting in abortive costs and the requirement to meet such costs in the year from the Revenue Budget

Alternative Scheme Options

8.2. Described below is both the current and expected funding (viability) gaps associated with the alternative scheme options for Tipner West alongside the likelihood of any residual funding gap being met from additional external funding.

Tipner West Scheme Options	Significant Land Reclamation (3,503 units)	Moderate Land Reclamation (2,000 units)	Existing Land Mass (1,250 units)	Do Minimum
	Option A	Option B	Option C	Option D
	£m	£m	£m	£m

Current Financial Position

Cost of Infrastructure	£604	£347	£235	£53
Borrowing Costs	£57	£32	£15	
Gross Development Cost	£661	£378	£251	£53

Revenue Income	(£449)	(£249)	(£124)	
City Deal Grant	(£54)	(£54)	(£54)	
Gross Development Revenue	(£503)	(£303)	(£177)	-

Net Development Cost (Funding Gap)	£158	£76	£74	£53
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Funding Gap per Unit £'s	£45,000	£38,000	£59,000	Not Applicable
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Potential Further Funding

Potential Homes England Funding	(£105)	(£30)	(£19)	
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Estimated Residual Funding Gap	£53	£46	£55	£53
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Net Funding Gap per Unit £'s	£15,000	£23,000	£44,000	Not Applicable
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Likelihood of External Funding to Bridge Residual Funding Gap	Most Likely	Reasonably Likely	Unlikely	Very Unlikely
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8.3 In these circumstances, the Council would be unable to borrow to fund any deficit. The ability to borrow, this is regulated by the Prudential Code (recently revised in December 2021 with stricter requirements to demonstrate Prudence than previously required). To establish the vires for borrowing the Council has to demonstrate that any borrowing can pass the test of being Prudent, Affordable and Sustainable, where:

- Prudent relates to "primary purpose" (i.e., a primary duty or responsibility of a Local Authority), risk and value for money
- Affordable and Sustainable relates to the confidence that the Council can meet the borrowing costs over the long term and thus continue to provide Council Services on a sustainable basis.

8.4 Given the challenged financial environment and the likely future budget deficits that will arise (unfunded), borrowing has and continues to only meet the tests if the returns (savings or income) arising directly from the investment exceed the borrowing costs themselves. In the case of the Tipner West and Horsea Island Development Options, all returns have been assumed to be re-invested within the scheme itself and in all options resulting deficits between £46m and £55m still arise. There are therefore no further returns that would be available to fund any borrowing for the estimated residual deficit.

8.5 Additionally, there is the challenge of demonstrating that the use of over £100m of Public Funds (including circa. £50m of Council Funds) represents good value for money for the homes and employment delivered. Delivery of a scheme at the lower end of the social, economic, and environmental benefits such as Option D 'Do Minimum' and Option C 'Existing Land Mass' would not meet a value for money test compared to the alternative use (and benefits derived) that such a quantum of funding could otherwise be used for.

8.6 The evaluation set out in the body of this report, combined with the financial analysis above suggests the following:

8.6.1. Significant Land Reclamation (Option A)

- An expected residual funding gap of £53m (assuming that Homes England provide £30,000 per unit of funding)
- 3,500 additional homes of which 1,050 are "Affordable"
- Genuinely sustainable community with significant levels of open space and community infrastructure
- Most likely that further external funding would be received to reduce / eliminate the £53m residual viability gap due to the aspirational design, enhanced housing numbers and wider economic benefits.
- No abortive costs

8.6.2 Moderate Land Reclamation (Option B)

- An expected residual funding gap of £46m (assuming that Homes England provide £15,000 per unit of funding)
- 2,000 additional homes of which 600 are "Affordable"
- High density, improved but still limited levels of public open space, some community amenity
- More likely that further external funding would be received to reduce / eliminate the £46m residual viability gap due the opportunity to provide a more sustainable community
- There may be some potential abortive costs but this is as yet uncertain.

8.6.3. Existing Land Mass (Option C)

- An expected residual funding gap of £55m (assuming that Homes England provide £15,000 per unit of funding), made up of:
 - £51m of infrastructure and financing costs requiring an annual capital allocation of circa £5m per annum for the next 10 years to 15 years
 - Up to £3.6m of Abortive Costs (but subject to validation), requiring equivalent savings to be made in the current year
- Generally undesirable appeal - high density, low levels of public open space, very little community amenity
- Less likely that external funding would be received to meet the £55m residual viability gap
- Abortive costs of up to £3.6m (but subject to validation), requiring equivalent savings to be made in the current year

8.6.4. Do Minimum (Option D)

- An expected cost and residual funding gap of £53m, made up of:
 - £32m of infrastructure costs, requiring an annual capital allocation of circa £3m per annum for the next 10 years to 15 years
 - Up to £20.7m of Abortive Costs (see below)
- No Development- including no affordable housing or jobs.
- Very unlikely that external funding would be received to meet that gap since no additional economic benefits would be provided
- Abortive costs of up to £20.7m (but subject to validation), requiring equivalent savings to be made in the current year

8.6.5. Summary

- The estimated Residual Funding Gap (after reasonable assumptions of potential further funding from Homes England) ranges from £46m to £55m
- Without further external funding to meet that gap, the financial burden will fall to the Council - it is estimated that a sum of £4m to £5m will be required each year over the next 10 to 15 years in order to bridge a gap ranging from £46m to £55m
- 'Moderate Land Reclamation' (Option B) and 'Significant Land Reclamation' (Option A) options have a realistic opportunity to

reduce / eliminate the Residual Funding Gap and therefore the annual £4m to £5m financial burden to the Council

Implications for Future Capital Programmes

- 8.7 Without further external funding all of the options for development at Tipner West and Horsea Island East result in a significant financial deficit that would fall on the Council. Funding a deficit of between £46m to £55m would present serious implications to the future delivery of Council Services (as described later in this section).
- 8.8 As described in the Council's Capital Strategy, over recent years' the Council's core capital funding has amounted to circa £7m per annum (Capital Grants, Capital Receipts and Community Infrastructure Levy). Within this core funding are grants from the Department for Education and the Department for Transport amounting to circa £3.4m per annum with an expectation of "passporting". This leaves circa £3.6m of core funding available for more general Capital Investment.
- 8.9 Whilst in previous years the Council's capital funding has exceeded the core level (£7m), this has only been as a result of planned Revenue Contributions to the Capital Programme plus unplanned Revenue Budget underspend that have also been transferred to support the Capital Programme.
- 8.10 Examples of some of the more significant Capital Investments that have been made available from Corporate Capital funding (core funding and Revenue Budget contributions) in recent years are:
- Additional Special School places
 - Land assembly (City Centre Regeneration)
 - New Leisure and Community Centre
 - Maintenance of Council operational buildings
 - Transport infrastructure
 - Maintenance of Heritage Assets
 - Greening the City
 - Food Waste Collection Fleet
 - Football facilities
 - Replacement of Care Management System
 - Sea Defences - Enhancements
 - Digital Infrastructure
- 8.11 With core Capital funding (after passporting) at £3.6m p.a. supporting the delivery of critical investment for the continued delivery of essential services, it would be irresponsible to assume that the Council's future Capital Programmes could afford a sum of £4m to £5m over the next 10 to 15 years. Given that this could not realistically be funded from future Capital funding, it would require a Revenue Contribution to Capital of a £4m to £5m per year which, in turn, would require Full Council to make Revenue Budget savings of an equivalent amount.

- 8.12 At this stage there is a reasonable expectation that no further external funding would be attracted from either the 'Do Minimum' or 'Existing Land Mass' options and therefore that the residual funding gap will fall to Full Council. Accordingly, should either of these options be chosen it would be prudent to start planning Revenue Contributions and therefore Revenue Savings from 2023/24 at levels sufficient to meet the overall deficit over a reasonable planning period (i.e. 10 to 15 years). A sum of £4m to £5m provides for an even profile of Revenue Contributions to Capital and will spread the financial burden of such a decision equitably over future Administrations. Whilst other savings profiles are possible (front or back loaded), the principle of identifying funding at the point of decision (i.e. aligning policy decision making and financial planning) and ensuring equity across Administrations and generations is important. It is also important to note that a back loading approach will lead to an overall increase in the costs of servicing debt and therefore an increase in the necessary savings that would need to be made.
- 8.13 It is also reasonable to expect that a larger scale development for Tipner West and Horsea Island East involving land reclamation would result in a lower funding gap. The prospects for attracting additional external funding are greater and the scope and opportunities for making cost savings on larger developments are also greater. Accordingly, it would be premature at this stage to require the Council to plan to meet an overall residual funding gap for an option with larger scale development.
- 8.14 In summary, pursuing either the 'Do Minimum' or 'Existing Land Mass' options will present serious consequences for the delivery of essential Council Services in the future. The associated Revenue Savings Requirement of £3m or £5m, respectively to fund either of these options needs to be considered in the context of the current financial environment. At present, the Council is struggling with the continuing legacy impact of COVID 19 in Adults and Children's Social Care, the challenging inflationary environment across all Services as well as the increase in demand for Council Services from residents that are being severely impacted by the "cost of living" crisis - pay and energy inflation alone are expected to exceed the budget by well in excess of £5m. Coupled with this are the inflationary and other pressures in the Capital Programme exceeding £10m. These emerging signs of financial distress would be exacerbated by a requirement to find further savings in the future and would therefore place at serious risk current levels of service to residents.

Implications of Changing to an Alternative Development Scheme

- 8.15 At present £20.7m has been spent in the delivery of the Tipner West Development over the past 6 years, some of which was necessary for any development scheme, but some of which will become out of date should an agreed scheme not progress. This has been funded from the City Deal Grant.
- 8.16 Should Full Council opt to pursue an Alternative Development Scheme to the 'Significant Land Reclamation' scheme, any costs not "directly attributed to bringing a particular asset to the location and condition necessary for it to be capable of operating in the manner intended" will result in "abortive costs". That means that any expenditure incurred on developing any scheme which does not directly relate to the asset created cannot be charged to the Tipner West scheme and cannot be funded from the City Deal Grant and therefore must be met from the Revenue Budget in the current year.
- 8.17 An initial estimate (subject to further validation) of up to £3.6m has been estimated as the costs directly and exclusively related to the 'Significant Land Reclamation'

(Option A) scheme i.e. costs which could not be attributed to any scheme or any other scheme. No evaluation has yet taken place as to whether any of these costs could be attributed to a 'Moderate Land Reclamation' (Option B) scheme. It is clear however that up to £3.6m would be abortive should the 'Existing Land Mass' (Option C) be chosen.

- 8.18 Similarly, should Full Council elect to pursue the 'Do Minimum' (Option D), costs of up to £20.7m (subject to validation) would become abortive and need to be met from the Revenue Budget in the year.

Mitigation of Further Abortive or Duplicate Costs

- 8.19 To guard against significant further costs becoming abortive due to surveys becoming time expired and needing to be replaced, it is important that the team can continue their work towards a planning application.
- 8.20 The proposals contained within this report recommend that a further £7.7m is spent to progress design works for the purposes of obtaining the necessary planning applications under the Town and Country Planning Act ('TCPA') and the Transport Works Act 1992 ('TWA') and to prepare an Outline Business Case to enable the Council to bid for additional external funding. This amount includes an estimate for external legal fees and costs related to internal fees.
- 8.21 To obtain greater clarity over the likely viability of any scheme and have a "reasonable expectation" that the "viability gap" is capable of being closed, it is expected that Homes England would be the most likely funder of sufficient scale. This however, is only reasonably expected for the Moderate (Option B) and Significant Land Reclamation (Option A) schemes. Notably, the level of subsidy required is not dissimilar to other schemes around the country with comparable size outputs (as discussed in the 06/12/21 Full Council report).
- 8.22 Alternatively, or additionally, other external funders and / or modifications to the scheme may need to be identified which also have a "reasonable expectation" of both delivery and addressing the residual funding gap.
- 8.23 In the last four years the Council has been successful in raising over £390million in external grant funding for capital schemes. This success has been built on strong relationship developed over a number of years with key partners. A list of successful bids is included in Appendix G.
- 8.24 In almost all cases the defining success factors have been the ability to demonstrate deliverability within a prescribed timeframe. So called "Oven Ready" schemes are developed at the Councils risk with planning secured and business cases written and then are often "parked" awaiting the right funding stream or bidding opportunity.
- 8.25 Being able to demonstrate key hurdles like political support, planning permission, contractor procurement and land ownership have been pre-cleared make these schemes more attractive to funders.
- 8.26 Other successful routes include the targeting of funders specific requirements, for example the council's recent success in winning 2 future high streets bids. These smaller more targeted approaches could pick-up some of the elements of the wider programme like sustainability, green & circular technologies within the employment

spaces or a specific bus time improvement benefit from expanded the bridge to allow a bus link through to Port Solent and the Southampton Road.

- 8.27 For whatever solution is preferred, it is proposed that further external capital funding must be sought and as such the Director of Regeneration and the S151 officer will be actively be engaged in bidding, to reduce any future pressures on the Council Capital programme.

9 Local Planning Authority Position Statement

- 9.1 Under the central government standard methodology Portsmouth is required to seek to provide 17,762 new homes in its plan period to 2038. The current assessment of Housing and Employment Land Availability identifies that without a contribution of new housing at Tipner West there would be an unmet need for housing in Portsmouth over the emerging plan period of around 4,000 homes.
- 9.2 To support the council's ambitions, adopted through the Economic Regeneration Strategy to create an additional 7,000 jobs in the city approximately 190,000sqm of employment floor space across a number of sectors will need to be delivered within the plan period. If the employment contribution anticipated for Tipner West and Horsea Island East, of around 60,000sqm, is not delivered this will adverse effect the ability of the City to meet its growth ambitions, both in respect of the number of jobs created and the nature of those jobs as it would remove the majority of new opportunity for the identified growth industries of marine employment and advance manufacturing which would have supported key opportunities for 'green' growth.
- 9.3 The Tipner opportunity area includes land and water that is designated for its ecological habitat value, as Natura 2000, Ramsar and Special Protection Areas. The Firing Range at Tipner is also a primary supporting habitat for Solent Waders and Brent Geese. Consequently development, including the minimum necessary interventions to 'hold the line' for flood defence and manage the risk of environmental pollution from ground contamination in a 'Do Minimum' scenario, are considered to have a likely significant effect on the SPA. These effects, which will inevitably include some loss of habitat within the relevant Habitats Site associated as a minimum with the flood defence work, will not only require mitigation but will also need to meet the derogation tests of alternatives and imperative reasons of over-riding public interest (IROPI). An appropriate assessment under the Habitat Regulations and consultations with Natural England is therefore required to fully interrogate this whatever option the landowner choses to pursue and promote on the site.
- 9.4 The Local Planning Authority has reviewed options for Tipner West, including evaluating and consulting on three options last year in a Regulation 18 Consultation. Other options, such as using the land for port expansion, realigning the strategic road network in this area, and giving more of the land over to 'nature reserve' have been evaluated as part of the response to that Local Plan Consultation and in discussions with stakeholders since then. All options for development of the site show a significant financial challenge to the landowner. Some options, such as seeking to use all of the site for employment purposes or seeking to remove built form from the previously developed parts of the land, are not considered by Local Planning Authority to represent sustainable or effective use of the land. Reasonable mixed-use options for the site have a varying degree of financial viability challenge and impacts on habitats. Those options with the greatest direct impact on protected habitat have,

unsurprisingly, the higher risk of being unable to demonstrate the existence of imperative reasons of over-riding public interest. As noted, however the derogation test is required to be satisfied for all options, including a 'Do Minimum' option at this site.

9.5 Noting the flood and environmental management challenges of the site that any landowner would need to address within the medium term and the obligations the City Council has entered into under the City Deal the Local Planning Authority has reviewed the financial viability of the range of options. The Local Planning Authority is therefore satisfied that it is reasonable to presume an allocation of not less than 1,250 homes and not less than 55,000sqm of employment floorspace on Tipner West and Horsea Island East within the plan period as it is a reasonable presumption that no landowner would chose to spend £50m to 'Do Minimum' when they could spend a largely similar amount on delivering outcomes they have already agreed to, ie the City Deal and the North Solent Shoreline Management Plan, and thus giving themselves opportunities through the leveraging of additional public sector grant or future value engineering to reduce this financial liability.

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Signed by:

Appendices:

Appendix A- Assumptions/Points to note for promoter team proposal *(In report)*

Appendix B- Historic Engagement timetable *(In report)*

Appendix C- Full Council - Report Dec 2021

Appendix D- Historic Achievements

Appendix E- RSPB/HIOWWT development principles presentation

Appendix F- PCC- Successful Bids

Appendix G- Local Planning Authority Housing needs- Group briefing presentation

Appendix H- Tipner flood risk

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
N/A	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Appendix A - Points of note/ Assumptions for promotor team proposal

Tasks to bring forward an outline application include:

- Revised concept masterplanning
- Revised development appraisals
- Detailed masterplanning and preparation of new Design and Access Statement
- Preparation of Outline Planning Drawings
- Preparation of new Parameter Plans
- Revised EIA Scoping
- Preparation of new EIA
- Planning Statement preparation
- Public consultation and preparation of Statement of Community Engagement
- Design Code (to be confirmed as could be conditioned to streamline application)
- Environmental surveys
- Technical assessments
- Engineering drawings
- Engagement with statutory and non-statutory stakeholders
- Review of off-site compensation requirements
- Engagement with landowners to provide compensation
- Biodiversity Net Gain proposals
- Review of and amendments to business case

1. It's imperative to highlight that although the assumed programme allows most existing ecology surveys to be re-purposed, if the programme delays for more than six months this will likely result in the surveys expiring. As a result of this, there will need to be significant re-survey work undertaken which will be seasonally dependent.
2. Assumed need for further winter bird surveys, due to issues flagged with the neighbouring Park and Ride site planning application. The team will avoid duplication where possible.
3. Assumed the application will include the current design for the dredge channel and bridge. However, there is a need to potentially re-consider the design of the dredge channel and possibly the bridge due to engagement with Historic England. We will need to consult on the impact this could have on the viability of the marine employment site.
4. Increasing the building height on Tipner West will likely result in objections. Therefore, a balance between height (viability) and level of impact (ecology and heritage) will need to be considered.
5. An option on the existing land mass (Option C) will include some land reclamation in order to facilitate the delivery of critical infrastructure like flood defences and the Horsea Island East (HIE) bridge link. There will also be reconfiguration of the existing Tipner Point to provide a marine employment site which will include some land reclamation.
6. An additional budget will be required for input into the Local Plan Regulation 19.

The Planning Strategy includes the following:

- The outline application for the masterplan (streamlined or comprehensive outline including Design Code to be confirmed)
- TWAO application is to be submitted simultaneously with the outline planning application for the bridge that will connect Tipner West and Horsea Island East and the dredging requirement. Could potentially also incorporate any significant marine infrastructure, if necessary, that could restrict navigational use of the Harbour.
- The red line boundary will be reduced to reflect the existing land mass at Tipner West, the bridge, dredging and any marine elements, and the employment land at HIE excluding the country park.
- The proposals may trigger a need for compensation land due to the impact on the SPA; bridge, dredging and loss of firing range and SPA direct loss at southern point of Tipner West.
- Completion of EIA Scoping stage due to the changes proposed in the scheme when compared to the previous EIA Scoping request.
- A strategy to be developed for Nitrates and nutrient neutrality, unless it can be incorporated into any wider strategic solution delivered through the local plan process. Any associated costs for either a stand-alone or strategic incorporation would need to be accounted for.

Indicative timescales

Indicative Minimum Programme (could extend depending on detail of design coding, team appointments and availability)

Task	Programme													
	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
Project Inception														
Masterplan Development														
Public Consultation														
EIA Scoping														
Scheme Fix														
Planning Application preparation including EIA and HRA														
Review of application														
Final Revisions														
Planning Submission														

Appendix B - Historic engagement timetable

When	Who	Activity
Sept-Oct 2019	Residents	Public exhibitions at Port Solent and The Mountbatten Centre to give local residents the chance to give feedback on the plans for Tipner West (now Lennox Point).
Sept 2019	Investors, developers, future supply chain - local and national businesses	Tipner West Industry Day. Over 200 delegates from local and national firms attended an event to hear about the plans for Tipner West.
Jan- Mar 2020	Residents	Tipner West roadshow. A series of events around the city to give Portsmouth residents the chance to feedback on the plans for Tipner West (now Lennox Point) and suggest ideas for the team to consider.
Oct 2020	Residents	Focus groups made up of Portsmouth residents worked together to name Lennox Point and the marine employment hub Phoenix Quay .
May 2021 and ongoing (paused)	Environmental and heritage stakeholders	Monthly regulatory panel and heritage panel launched to keep key stakeholders updated.
June 2021	Marine and maritime sector	A marine sector market sounding exercise to ascertain the market's appetite for the Marine Employment Hub of the Lennox Point development. This included a mix of local, UK and international firms.
Aug 2021	Council members	Members were invited to take part in a cross-party working group to ask questions about the scheme and help shape the next phase of the project.
Sept 2021	Investors, developers, future supply chain - local and national businesses	Over 200 businesses from Portsmouth and beyond attended an event designed to present the masterplan and opportunities to get involved in the Lennox Point supply chain.
Sept 2021	Future supply chain - local and national businesses	Launch of the Lennox Point e-brokerage tool that allows businesses to register for project updates, events, and contract opportunities.
Sept - Oct 2021	Council members	A series of briefings for all members on the options for Tipner West, including Lennox Point.
Sept-Oct 2021	Residents, businesses, and wider stakeholders	Portsmouth City Council's Local Plan public consultation includes three options for the future of Tipner West - including Option 1: Innovative sustainable community (Lennox Point).
Sept-Oct 2021	Investors, developers	A series of 1:1 meetings, facilitated through the Department of International Trade, to help gain an

		early indication of the market's interest in the investment/development opportunity.
Ongoing	Young people, students in Portsmouth	We are working with students at UTC Portsmouth, Portsmouth College, The University of Portsmouth on a number of projects including the design of the Horsea Island bridge, waste management, robotics to support car-free living and the design of Phoenix Quay's branding. We also plan to support Aspirations Week and a T-Level student placement in 2022.
Ongoing (paused)	Ward members	We have held monthly meetings for Ward councillors to provide regular updates on the project and answer questions.

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APPENDIX A

Tipner West Regeneration Update Report

About this document

This report has been prepared in response to the resolution of Full Council on the 13th October 2021 to update councillors and members of the public on the current status of the Tipner West project, including total spend to date.

While this report does include consideration of the viability of alternative options for the site, this has been undertaken by the Council's team as promoter of the Lennox Point scheme. A broader review of the options following the Regulation 18 consultation will be carried out by the Local Planning Authority as regulator, as explained in the covering report.

The covering report also sets out a timeline for further decisions to be made, including on options, by the LPA as regulator.

THIS ITEM IS FOR INFORMATION ONLY

1.0	Executive summary	.....	4
2.0	Prologue	.....	5
3.0	Drivers of the project	.....	6
3.1	The 2013 City Deal opportunity	.....	6
3.2	The marine and maritime sector	.....	7
3.3	Housing	.....	8
4.0	Environmental considerations	.....	11
4.1	Government environmental requirements	.....	14
4.2	Habitat Regulations Assessment (HRA)	.....	14
4.3	Compensatory land	.....	15
4.4	Environmental Impact Assessment	.....	16
5.0	Portsmouth: an ambitious coastal city	.....	18
6.0	The regeneration of Tipner West: work to date	.....	19
7.0	Consideration and evaluation of Tipner West options	.....	22
7.1	Do nothing and the related flood risk	.....	23
7.2	The existing land mass - Local Plan 2012	.....	26
7.3	The existing land mass - City Deal 2013	.....	29
7.4	The existing land mass - explored from 2016	.....	32
7.5	Existing land mass plus land reclamation (Lennox Point)	.....	35
8.0	Options appraisal and financial implications	.....	40
8.1	Financial analysis	.....	40
8.2	Options appraisal	.....	41
8.3	Options appraisal - costs	.....	43
8.4	Options appraisal - summary	.....	45
9.0	Strengths, Weaknesses, Opportunities, and Constraints (SWOT) of three options		45
9.1	Existing land mass - as explored from 2016	.....	46
9.2	City Deal	.....	47
9.3	Lennox Point	.....	48
9.4	Cabinet approval to proceed	.....	49
10.0	The development of the Lennox Point proposals	.....	49
10.1	Realisation of the design principles	.....	51
10.2	Consultation and feedback to date	.....	52
10.3	The core team at Portsmouth City Council	.....	55
10.4	The requirement for a consultant team	.....	55
10.5	Project governance - LPA	.....	57

THIS ITEM IS FOR INFORMATION ONLY

10.6	Expenditure to date	.....	58
10.7	Recommendations and next steps	.....	59
11.0	Gateways and decision points	.....	59

Appendix

A	City Deal agreement
B	Marine alternatives
C	Maritime employment - jobs
D	Regulation 18 - Site promotion report
E	Cabinet position statement
F	SPA metric briefing note
G	High level programme
H	City Deal development option
I	Existing Land development option
J CONFIDENTIAL	Options appraisal - financial modelling
K CONFIDENTIAL	Options appraisal - financial assumptions
L	Summary of outline business case
M	Spotlight the value of placemaking
N	Transport strategy
O	Engagement to date
P CONFIDENTIAL	Stakeholders
Q CONFIDENTIAL	Developer full structure
R	Lennox Point FAQs for Members

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1.0 Executive summary

- 1.0.1 This report is in response to the motion passed by members of Portsmouth City Council on 13th October 2021 to pause and rethink the Tipner West project to ensure value for money is achieved, the environment is protected, and the maximum levels of affordable housing are delivered.
- 1.0.2 As described in the covering report, it sets out the approach taken by the team working on behalf of the Council to explore the most beneficial and viable approach to addressing the constraints and opportunities of the Tipner West site. These steps have been taken in response to the various decisions of the Cabinet and Council since the City Deal in 2013. These decisions have been guided by the consultation undertaken both by the Council as LPA and by the Council as promoter seeking the most environmentally, economically and socially advantageous development of the site.
- 1.0.3 The report sets out the drivers of the Tipner West regeneration; the impact of the £48.75m 2013 City Deal; the structure of the project; its governance and total spend to date; and the detailed work that led to the October 2020 Cabinet decision to progress a planning application for the Lennox Point masterplan. It also includes a suggested timeline for further decisions to be made with members of the Council.
- 1.0.4 Tipner West and the area of Portsmouth Harbour that has been identified to be part of Option 1 in the draft Local Plan is part of an environmentally protected site. However, without adequate planning all of these protected spaces will be lost as sea levels rise. If the Council is to pursue any development on Tipner West, defend the existing land mass or do nothing, a Habitat Regulations Assessment will be required as habitats will be lost.
- 1.0.5 Given the unique features of this site, and as recognised through the award of the City Deal grant, development of this site cannot be done in a traditional 'market led' way. If Tipner West is developed it needs to be done responsibly and sustainably, with significant public subsidy.
- 1.0.6 This report is intended to inform the 'pause' requested by Council and assist Council in determining its next steps. It concludes that developing the existing land mass plus land reclamation (represented by the Lennox Point proposal) is the strongest option for Tipner West in order to deliver the most financially viable scheme and a scheme that also:
- Protects Tipner from flooding
 - Delivers against the City Deal agreement
 - Delivers a world-class marine and maritime employment hub
 - Delivers the new homes in answer to Portsmouth's housing need
 - Delivers a critical infrastructure bridge link and better city-wide connectivity
 - Delivers an opportunity to redefine the gateway to the city

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- Presents an opportunity to create an exemplar net zero carbon development that sets the standard for Portsmouth and the wider UK
- Delivers a net habitat gain.

This will be subject to rigorous testing by the Local Planning Authority and the various statutory agencies for and on behalf of the Secretary of State, both in terms of inclusion within the final Portsmouth Local Plan and any future planning applications and associated licence applications.

2.0 Prologue

- 2.0.1 The Tipner West site has long been recognised by the city as both a regeneration opportunity and complex challenge.
- 2.0.2 The £48.75m 2013 City Deal and the transfer of the MOD firing range land to the Council unlocked some of the complexities that have delayed past decision making and deterred private sector investment. The City Deal presented an opportunity to drive the regeneration of Tipner West forward.
- 2.0.3 By promoting the exploration of one of the largest regeneration projects in the UK, the Council has the opportunity to shape the development, ensuring it attracts the right investment and partners who share the Council's values and ambitions for Portsmouth.
- 2.0.4 High quality jobs and new homes are vital for the economic vibrancy and sustainability of Portsmouth. Coastal regions can be uniquely challenged and there are many examples across the UK of places that have seen significant decline with a corresponding fall in prosperity and living standards.
- 2.0.5 Successful coastal regions have been able to capitalise on their natural assets. Portsmouth has enviable geographic advantages with its proximity to the world's busiest shipping route and more connections to Europe than any other UK port.
- 2.0.6 The development of Tipner West, with an emphasis on marine and maritime employment, creates an opportunity to meet the sector demand, help secure Portsmouth's economic future, and be a natural complement to the Solent Freeport area that is being established.

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3.0 Drivers of the project

- The 2013 City Deal agreement unlocked Tipner West with the transfer of the MOD firing range
- There is a need for maritime employment in the Solent
- Portsmouth needs to deliver good quality homes for residents
- The site will flood unless sea defences are created
- The Council must give due consideration to the overall economic and environmental considerations of redeveloping the site

3.1 The 2013 City Deal opportunity

3.1.1 The City Deal bid (**Appendix A**) recognised the potential for Tipner West to stimulate the local economy in response to the economic shock of shipbuilding at the dockyard coming to an end. Portsmouth's bid spoke to a region struggling to move forward economically. It saw Tipner West as a catalyst for regional change and identified an ambition to grow the marine and maritime sector in the Solent.

3.1.2 The bid also recognised the region's challenges and the complexities that have delayed past decision making and deterred private sector investment, such as:

- multi-agency engagement blocking site assembly and remediation
- uncertainty linked to the delivery of infrastructure to release development
- the unique location and the habitat directives that protect it.

The private sector could not take this project forward until these hurdles had been cleared.

3.1.3 The City Deal presented an opportunity to bring together government organisations, coordinated by the Council, address these challenges and drive the regeneration of Tipner West forward.

3.1.4 In January 2013, Portsmouth was awarded a £48.75m City Deal grant from central government to invest in growth, critical infrastructure, skills and jobs, and specifically explore opportunities at Tipner West and Horsea Island East. Under this contract there was an agreement to transfer the firing range land from the Ministry of Defence to the Council and a promise to deliver:

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- 2,370 homes
- 58,000 sqm of employment space
- 3,742 new permanent jobs
- 1,300 temporary construction jobs
- £640m of private sector investment

3.1.5 The City Deal's key aims are to:

- deliver the core strategy (Portsmouth Plan) for the Tipner and Horsea area
- make a positive contribution to the other corporate strategies including the regeneration strategy and the Solent Local Enterprise Partnership (LEP) strategy for growth (marine and maritime employment)
- maximise the impact of marine and maritime assets by unlocking critical employment and housing sites.

3.1.6 **This has formed the baseline for any development at Tipner West as failure to deliver could result in Portsmouth returning the £48.75m grant to central government.**

3.2 The marine and maritime sector

3.2.1 The marine and maritime sector (**Appendix B**) provides almost one fifth of the UK's GVA.

3.2.2 The Solent is the highest ranked and most diverse marine cluster in England and Wales.

3.2.3 The marine and maritime sector is the largest sector in the Solent region.

3.2.4 However, the Solent LEP identified a regional need that only the site at Tipner West can fulfil in the marine and maritime provision within the Solent maritime cluster in order to support the UK's marine and maritime sector.

3.2.5 Waterfront employment sites compete with other uses, creating difficulty in meeting growth capabilities for the marine and maritime sector.

3.2.6 A minimum land area of nine hectares and provision of 58,000sqm of marine and maritime employment floorspace is required to deliver the necessary sector support, creating the opportunity for 1,900 maritime manual and skilled jobs (**Appendix C**), apprenticeships and training opportunities across ship building, engineering, maritime research and green technology.

3.2.7 Lennox Point has been designed to address these fundamental needs and will have a leading marine employment and green marine technology hub that will reinforce Portsmouth's place in the heart of the Solent maritime economy, enabling Portsmouth and its residents to be the focus for growth in skills and innovation in the marine economy.

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- 3.2.8 A marine sector market sounding exercise was undertaken in summer 2021 to understand interest from the specific sectors within the marine and advanced manufacturing market and test market appetite for the commercial delivery options. 46 marine sector organisations across the breadth of the marine sector, both UK based and international, responded positively, with new-build, marine leisure, repair and refit, and commercial vessel sectors most highly represented.
- 3.2.9 Commercially sensitive conversations have been had following the completion of the survey with larger marine and maritime companies.
- 3.2.10 **Tipner West has unique attributes and is a prime location to deliver strategic marine employment provision in the Solent area. Work by the Solent LEP supports the assertion that there are no suitable alternatives to deliver this scale of economic support to the sector.**

3.3 Housing

- 3.3.1 Portsmouth has an unmet housing¹ need of 17,701 homes in the period up to 2038.
- 3.3.2 The Lennox Point proposals would deliver circa 20% of that total.
- 3.3.3 Neighbouring authorities are unable to meet that need in addition to their own requirements.
- 3.3.4 In preparatory work for the Local Plan review, the Local Planning Authority (LPA) has already fully explored all potential options for the city.
- 3.3.5 Alternative locations for the 3,500 homes proposed at Tipner West cannot be found within Portsmouth's administrative boundaries. Without the 3,500 homes proposed at Tipner West, the development team estimates that the Council will have to look to use between 27 to 33.5 hectares of existing open space within the city to accommodate homes, or substantially increase density in an already densely populated city.
- 3.3.6 The development at Tipner West is fundamental to meeting Portsmouth's unmet housing need and meeting the housing demand to support and sustain the marine and maritime sector within the Solent and UK.
- 3.3.7 There is a historic undersupply of homes in Portsmouth and very few new affordable homes built in Portsmouth over the last few years. Under central government's rules, without finding alternative locations for the allocation of the 3,500 homes proposed on previously developed brownfield land at Tipner West, Portsmouth will not be able to meet its five-year housing land supply or Local Plan target. The city could therefore lose planning appeals by developers on unplanned sites if the Council does not manage delivery of the housing need.

¹ Housing need as defined and calculated by UK government

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- 3.3.8 The 2019 Housing Needs Study² identified that there are 6,419 households in Portsmouth unable to rent or buy across the Local Plan period. This underpins the affordable housing policy of the Council.
- 3.3.9 The current council housing register (waiting list) for affordable accommodation has 2,238 households on it waiting to be housed, many of whom will wait more than two years.
- 3.3.10 There is also a shortage of housing suitable for households earning between £15,000 and £30,000 in Portsmouth, this is affecting approximately 11,500 households in the city. Lennox Point looks to help reduce waiting for these households and those on the register, by specifically targeting these affected groups. Lennox Point would deliver 1,050 new affordable homes in line with adopted policy and local need, currently 30%.

Travel and jobs

- 3.3.11 Over 13,000 more people travel into the city each day to work than those who travel out. In total 41,000 people travel into the city each day to work. It is anticipated that additional housing provision could capture some of these in-commuters as residents.
- 3.3.12 28,000 residents travel out of Portsmouth each day. Delivery of additional employment activity could capture some of these out-commuters as resident workers, resulting in greater capture of economic benefits and reducing unsustainable commuting patterns.
- 3.3.13 Creating an additional bridge³ route between the mainland and Portsea Island, represents a valuable critical infrastructure link for the city. It will make it easier to travel between the north and south of the city by sustainable modes of transport, like bike and bus, avoiding the motorway. It would better link regional workers with their place of work, provide better connection with communities in Stamshaw and Port Solent and provide a route to the proposed country park at Horsea Island East that is accessible on foot, by bike and bus, rather than by car via the motorway.

² <https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/new-local-plan-evidence/>

³ Local plan 2012 and transport strategy, SEHRT etc

<https://www.portsmouth.gov.uk/services/development-and-planning/planning-policy/the-local-plan/>

<https://www.portsmouth.gov.uk/services/parking-roads-and-travel/travel/local-transport-plan-4-ltp4/>

<https://www.portsmouth.gov.uk/2021/08/12/see-the-latest-plans-for-improving-bus-journeys-and-have-your-say/>

<https://www.sehrt.org.uk/>

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3.3.14 Delivery of homes closely linked to jobs will provide Portsmouth with the opportunity to:

- increase its share of the economic growth potential
- address the imbalance between jobs and workers by increasing the supply of homes at the right tenure and price
- capture the benefits of economic activity and improve competitiveness
- attract current and future in-commuters as residents and create more employment opportunities for out-commuters - reducing the city's commuting levels and as a result reducing associated carbon emissions, air pollution and traffic congestion
- capture more employee expenditure within Portsmouth.

Case study - Poundbury, Dorset

The benefits of providing integrated homes and job opportunities

Typically, 22% of workers live in the immediate area of their employment. If suitable housing is provided with a wide range of employment opportunities integrated into the development, this figure can increase to 50% or more.

At Poundbury, the innovative urban extension to Dorchester, 56% of workers in the immediate area also live in the immediate area. This is thanks to a number of factors, such as:

- employment space being integrated across the development
- a diverse mix of employment space resulting in a diverse range of occupations and skills need
- a focus on providing the right type of housing for the jobs created
- a sustainable mix of homes, and jobs, with associated services to reduce commuting and support future growth
- an out-of-town location with cheaper rents than in-town locations where premiums might be required.

Action: The Tipner West project team to work with councillors on a Portsmouth version of the Poundbury model, to ensure homes are reserved for local workers.

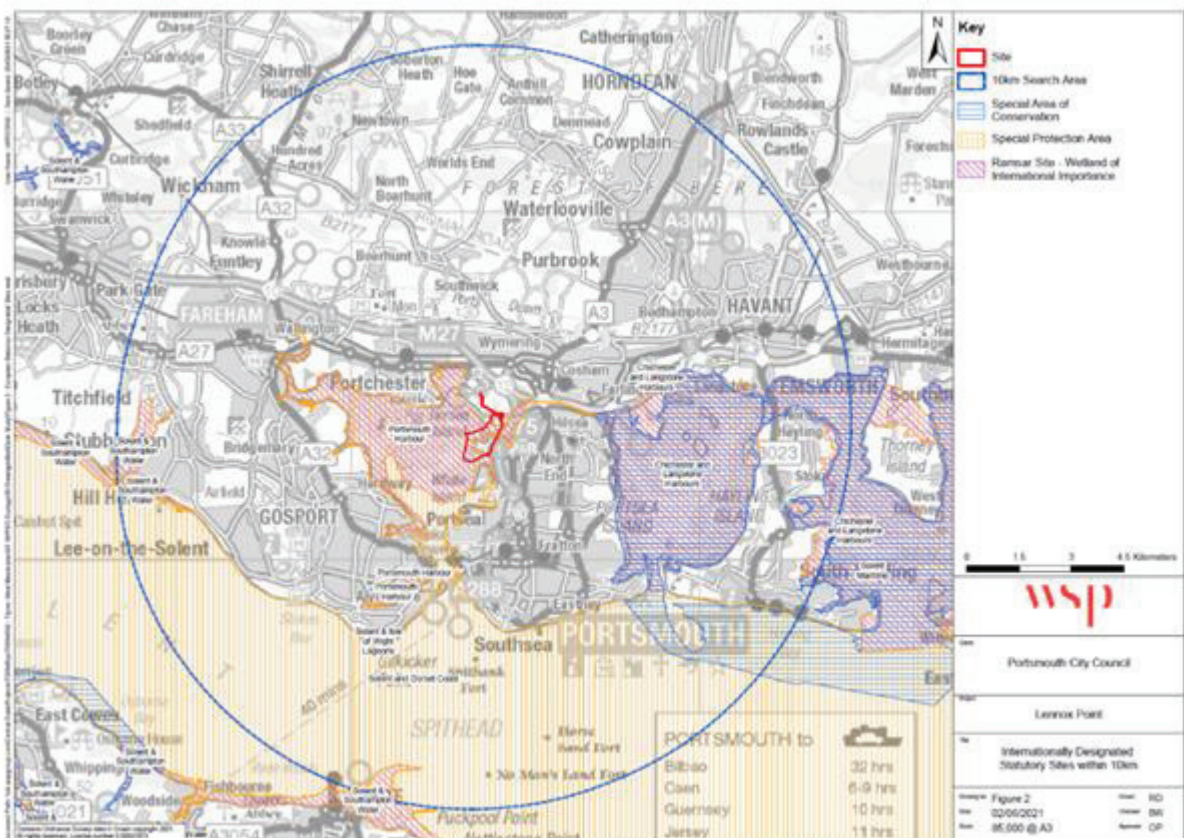
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4.0 Environmental considerations

Appendix D and Appendix E

- It is vital that stringent ecological and environmental regulations are adhered to
- Development will only go ahead if statutory stakeholders - including Natural England and the Environment Agency - are satisfied with the proposal and the ways it positively offsets impact
- The climate crisis and subsequent rising sea levels will cause Tipner West and the protected intertidal mudflats and coastal meadow to flood
- All the options reviewed will have an environmental impact and all options will be subject to a Habitat Regulations Assessment⁴

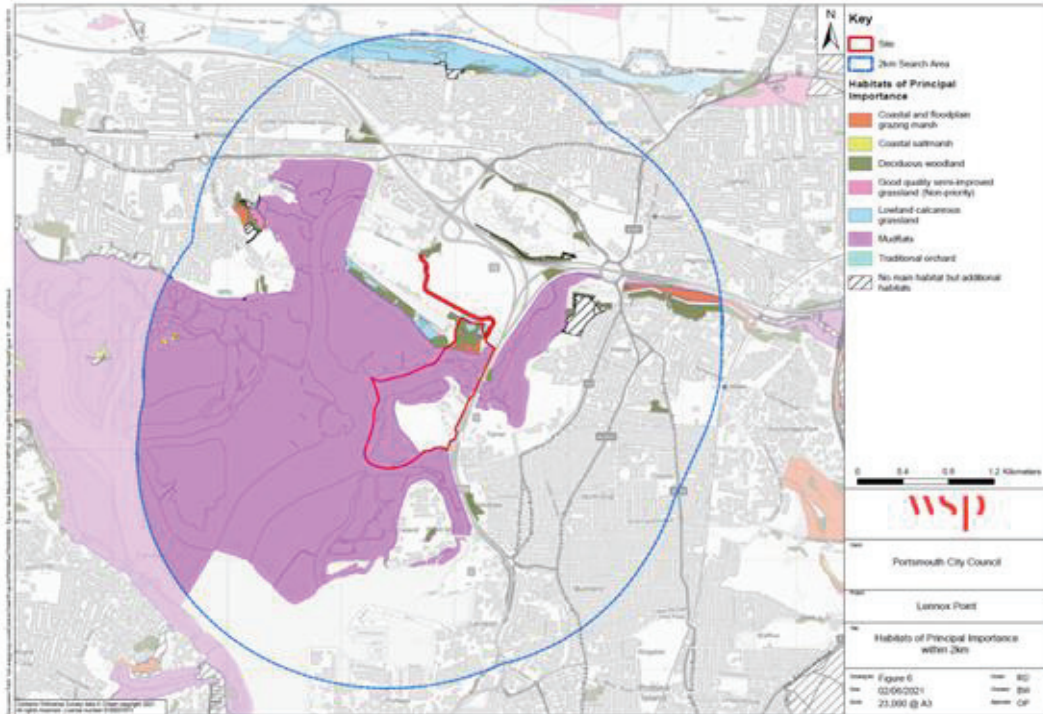
4.0.1 Internationally designated statutory sites within 10km of Tipner West (Figure 1)



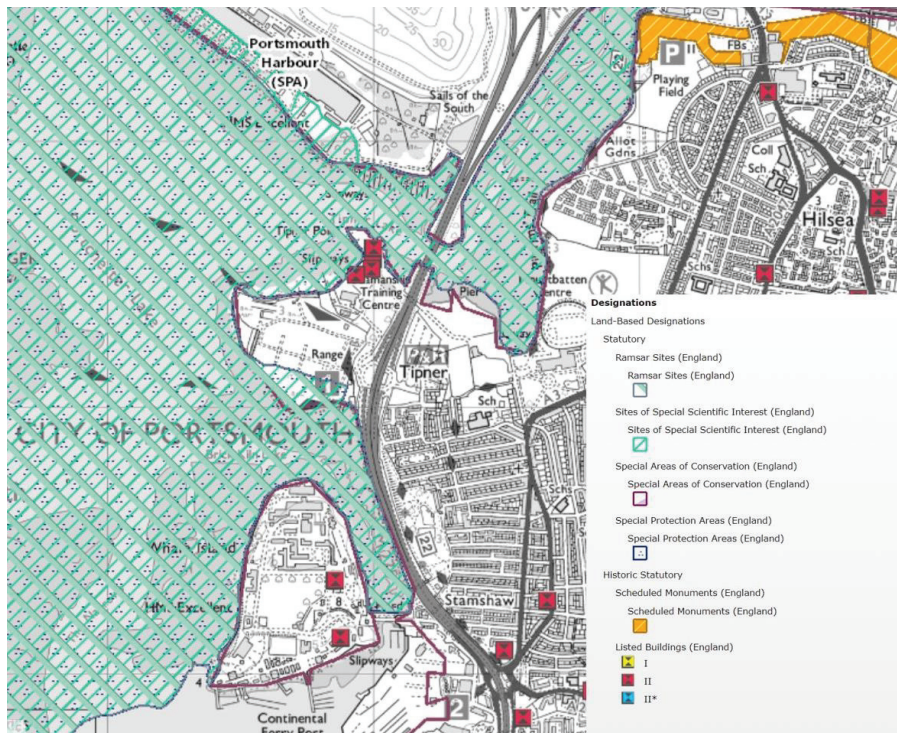
⁴ <https://www.gov.uk/guidance/habitats-regulations-assessments-protecting-a-european-site>

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4.0.2 Habitats of principle importance within 2km of Tipner West (Figure 2)



4.0.3 Land-based designations - environmental and historic (Figure 3)



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- 4.0.4 The site, which includes the land at Tipner West and the surrounding harbour, is subject to environmental protections and the Habitat Regulations Assessment (HRA) processes. There are a series of sequential tests to go through before consent to reclaim any land and develop the site can be granted. It is critical that these processes are adhered to and the site is treated with respect.
- 4.0.5 The climate crisis and rising sea levels are expected to see Tipner West to flood unless defended. This would cause the protected intertidal mudflats and coastal meadow to flood. It is anticipated that intertidal habitats are likely to see a 40% reduction by 2120.
- 4.0.6 In addition, flooding would leak through to Tipner East and Stamshaw. The Council has a mandate to hold the line from rising sea levels. As there are no homes currently on the Tipner West site sea defences cannot be funded by the Environment Agency and must therefore be funded by the Council. See section 7.1 for more detail on flood risk and associated costs of flood defences.
- 4.0.7 Any development, or no action, at Tipner West will have an impact on existing habitats, so it is vital that any proposals for the site:
- enhance and, where necessary, re-create areas of the most valuable habitats, such as intertidal mudflats and coastal grasslands, within Portsmouth Harbour and at compensatory sites
 - create new green spaces and habitats where species can thrive
 - design out conflicts between people's interaction with coast and the habitats species rely on
 - measure and prove an increase in biodiversity as a result of the development, using DEFRA's biodiversity metric
 - provide local enhancements and integration of ecological features into the development.
- 4.0.8 The project team is liaising closely with statutory stakeholders - including Natural England and the Environment Agency - and other key stakeholders, including the Royal Society for the Protection of Birds (RSPB) and the Hampshire and Isle of Wight Wildlife Trust (HIWWT) to keep these groups informed and up to date with the proposals. Development will only happen if the consenting body is satisfied that the rigorous tests and procedures are met and that the impact is suitably mitigated or compensated.
- 4.0.9 **All of the options will have an environmental impact and any option including homes will be subject to a Habitat Regulations Assessment.**

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4.1 Government environmental requirements

- 4.1.1 In order to gain consent for all options considered, including developing the existing land mass, the promotor team needs to prepare documentation to support any applications including an Environmental Impact Assessment and a Habitat Regulations Assessment. These are objective and detailed assessments.
- 4.1.2 The Environmental Impact Assessment is a process for evaluating the likely environmental impacts of a proposed project or development (both adverse and beneficial), taking into account inter-relationships between these impacts. The assessment sets out and recommends mitigation measures either through the design, or secured by planning condition, or obligation to mitigate those impacts to acceptable levels.
- 4.1.3 The Habitat Regulations Assessment refers to the several distinct stages of assessment which must be undertaken in accordance with the Conservation of Habitats and Species Regulations 2017 (as amended) and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (as amended) to determine if a plan or project may affect the protected features of a habitats site before deciding whether to undertake, permit or authorise it.
- 4.1.4 **The plan or project can only be agreed to once adverse effects on the integrity of the habitat site have been ruled out or no alternative solutions exists and there are imperative reasons of overriding public interest for undertaking the plan or project. Without this, the plan or project does not proceed in order to avoid the impact occurring.**

4.2 Habitat Regulations Assessment (HRA)

- 4.2.1 The HRA is a multi-stage process which helps determine Likely Significant Effects (LSE). Where LSE cannot be excluded, an assessment must be made of the implications of the plan or project on that site in view of the site's conservation objectives. That assessment (known as a derogation) follows a sequential process commencing with an examination to confirm that:
- there are no feasible alternative solutions that are less damaging to the habitat site
 - there are Imperative Reasons of Overriding Public Interest (IROPI) for the project; and
 - all necessary compensatory measures must be secured to ensure that the overall coherence of the habitat site is protected.

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<p>Stage 1 Screening</p>	<p>Screening is the process of identifying potentially relevant European Designated Sites and whether the proposed plan or project is likely to have a significant effect on the interest features of the site either alone or in combination with other plans and projects.</p>
<p>Stage 2 Appropriate Assessment (AA)</p>	<p>Where there are potential adverse effects, an assessment of mitigation options is carried out and mitigation measures are proposed to address the effects. Should a likely significant residual adverse impact remain, the HRA must progress to Stages 3 and 4.</p>
<p>Stage 3 Assessment of alternatives</p>	<p>Identification and examination of alternative ways of achieving the objectives of the project to establish whether there are solutions that would avoid or have a lesser effect on the site(s).</p>
<p>Stage 4 Imperative reasons of overriding public interest (IROPI)</p>	<p>Where it can be demonstrated that there are no alternative solutions that would have a lesser effect or avoid an adverse effect on the integrity of a designated site, a project may still be allowed to proceed if there are 'Imperative Reasons of Overriding Public Interest' upon which it may be justified.</p>
<p>Stage 4b Compensation</p>	<p>In the instance of having to provide IROPI, compensation land must be provided in order to permit the plan or project to proceed. Such compensation land does not need to be within the administrative boundary of the development site. The key issue is the quality and appropriateness of the compensatory habitat, not the council boundary.</p>

4.3 Compensatory land

- **Any compensation provided will be designed and implemented to provide high quality habitat (the habitat being lost is not all high quality despite being designated)**
- **The compensation land proposed is on the south coast and within the boundary set by Natural England based on the need of those species**
- **The compensation land should be in place before any impact is caused**
- **All options will require compensation land**

4.3.1 The requirement to consider the potential need for compensation sites is due to the likely impact on the Portsmouth Harbour protected site, through the land reclamation works, dredging and the loss of the Tipner firing range, which is also designated as part of the National Site Network. Securing compensation is the last stage of the HRA process. However, due to the lead in times to find, secure and establish compensation land, this has been addressed early in the process.

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- 4.3.2 A robust methodology has been adopted for the site search utilising a comprehensive metric approach to establish the habitat requirements (**Appendix F**). Spatial analysis using GIS and ecologically focused search criteria were applied.
- 4.3.3 The overarching objective is to identify sites that can ensure the integrity of the UK National Site Network and integrity of the European sites are maintained.
- 4.3.4 To establish the amount of land and habitat type required, a robust and quantifiable approach has been adopted through discussion with Natural England and the Environment Agency by which to measure and assess the impact any proposal might have and provide the quantum and type of compensation required. This is known as an adapted version of the DEFRA Metric.
- 4.3.5 Traditionally, developers have used hectare ratios to determine compensation requirements (e.g. compensate for direct impacts at a 2:1 scale). The team conducted early consultation with Natural England and the Environment Agency on this approach in 2016/17 and as a result has prepared an adapted metric that will deliver a higher ratio of compensation. Discussions have been undertaken with non-statutory consultees in recent months to set out the purpose, role and formulation of the adapted metric.
- 4.3.6 There is a risk that with no intervention at Tipner West, there would be a loss and impact to the National Site Network due to sea level rise and climate change. Therefore, this not only provides a greater amount of habitat within the National Site Network, but also one that is more robust.

4.4 Environmental Impact Assessment⁵

- 4.4.1 Any of the proposed options at Tipner West are likely to require an Environmental Impact Assessment (EIA). The scope of the Environmental Assessment has been agreed by all statutory parties through a consultation process at the start of 2021. The Environmental Statement (ES) will report on the results of the assessment and will consider the following topics:

- Human health
- Greenhouse gases and climate change
- Socio-economics
- Ground conditions and hydrogeology
- Hydrology and flood risk
- Navigation
- Traffic and transport
- Air quality
- Biodiversity (ecology)
- Landscape and visual impact
- Microclimate (wind, sun and overshadowing)
- Archaeology
- Heritage
- Soils and agricultural land
- Marine hydrodynamics

⁵<https://www.gov.uk/guidance/environmental-impact-assessment>

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4.4.2 The Environmental Assessment will be based on a set of agreed high-level parameters that will be taken from the wider masterplan proposals, and are likely to include:

- Bridge design
- Design and method of reclamation
- Dredging
- Method of remediation
- Drainage arrangements
- Extent and design of land raising
- Extent of reclamation and other works in the harbour
- Access design
- Phasing
- Land use layout
- Heights
- Numbers of units
- Open space layout, including occupation activity with regard to access to or restriction on activity in proximity to the coastal frontage with the SPA

4.4.3 The Environmental Statements have been prepared during 2021 and will be finalised in early 2022 to be submitted alongside and covering all the applications being submitted to secure the necessary approvals/consents for the proposed development.

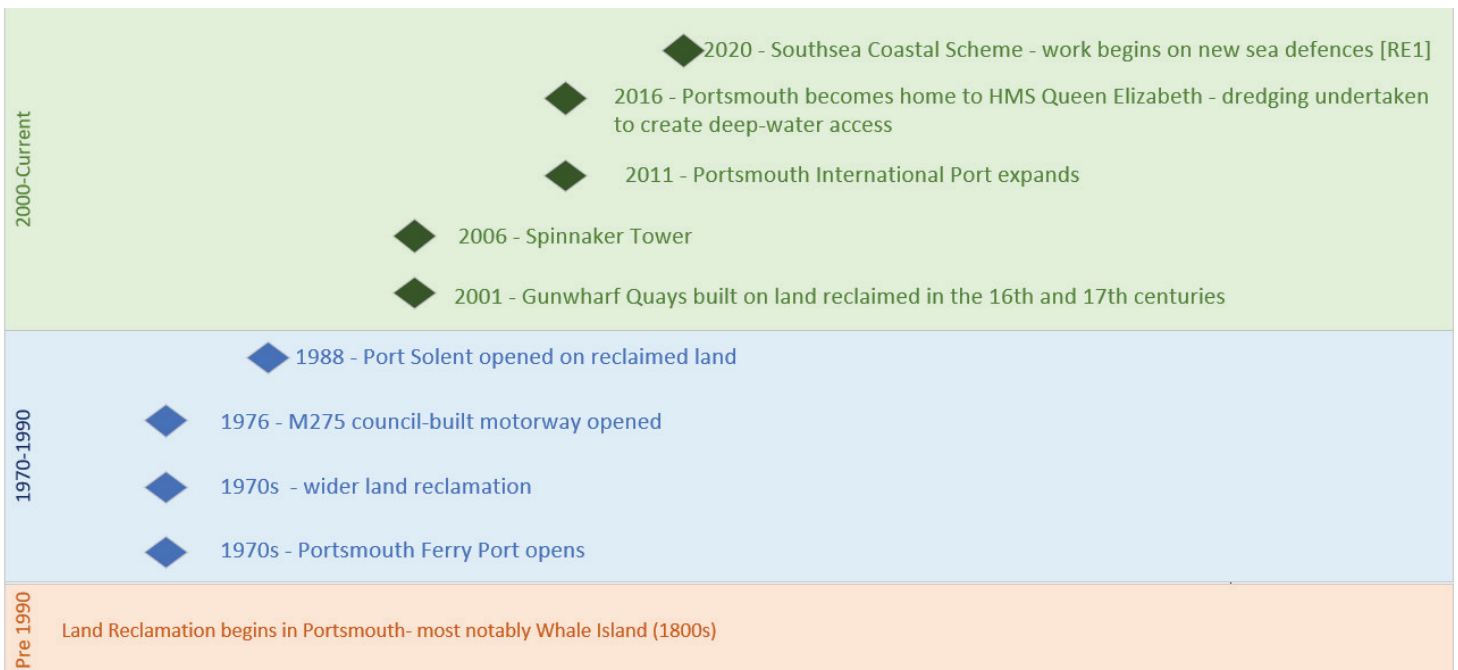
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5.0 Portsmouth: an ambitious coastal city

5.0.1 Portsmouth is city rich in history and rightfully proud of its achievements (figure 5). The harbour has been a strategic position since the Middle Ages, home to the Royal Navy for five centuries and now a growing, international commercial port and part of the Solent Freeport proposals. The city and harbour have continued to evolve and develop, with each generation making significant interventions to support the growth and prosperity of Portsmouth and address the needs of the day.

5.0.2 The timeline below shows key development milestones in Portsmouth over the past 50 years. The Council has been instrumental in driving forward a number of largescale, complex and long-term projects, by unlocking sites, coordinating partners and statutory stakeholders, and leading projects where hesitation from the private sector or central government has slowed progress.

5.0.3 Timeline of development milestones in Portsmouth (Figure 4)

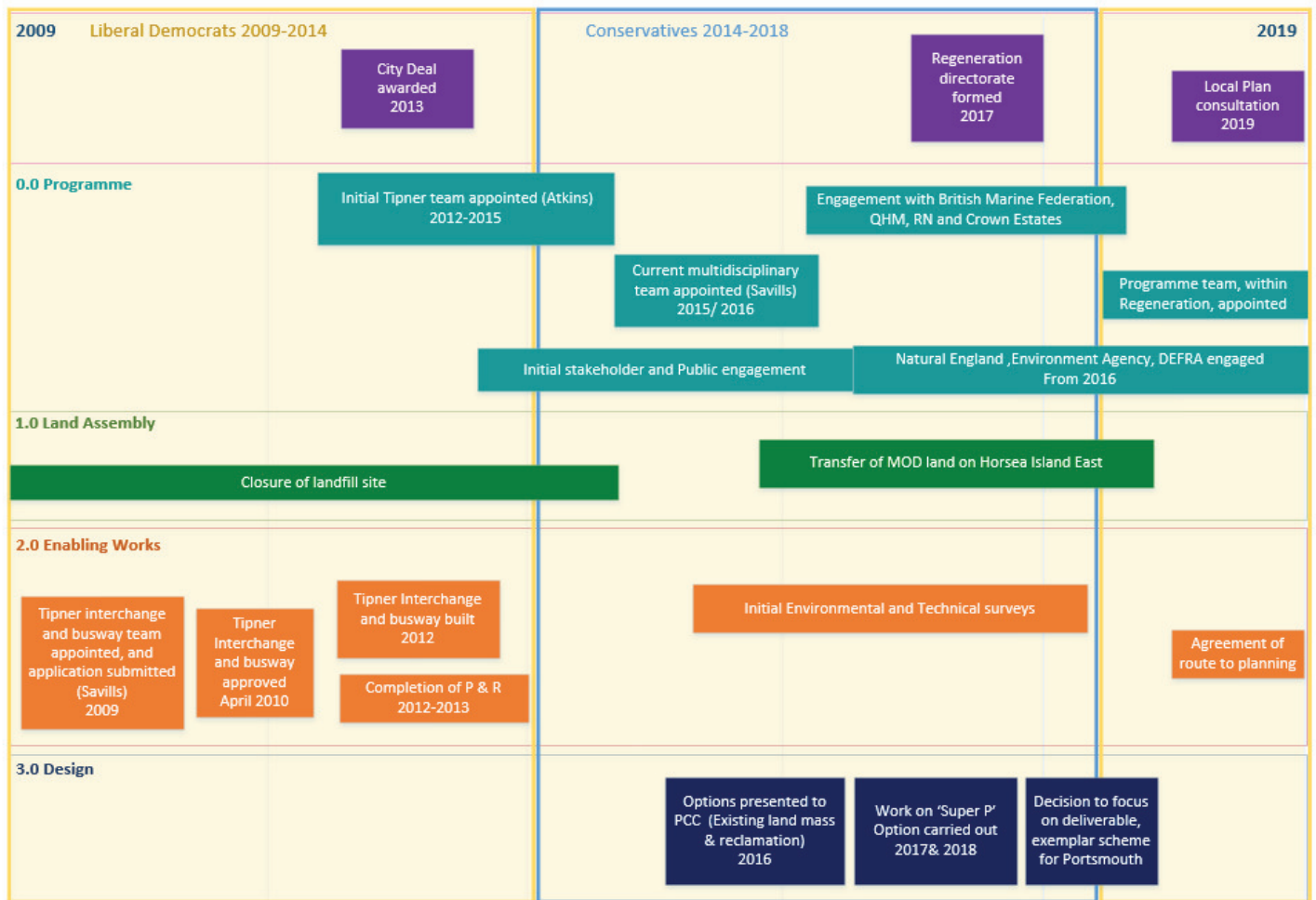


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6.0 The regeneration of Tipner West: work to date

- The Lennox Point project has moved further than any other proposal since 1953
- There is a multi-disciplinary team involved with robust governance in place
- All political parties have been involved in the development of proposals for Tipner West
- The project team has engaged with statutory and non-statutory consultees since 2015

Historic progress of the Tipner West regeneration project 2009-2019 (Figure 5)

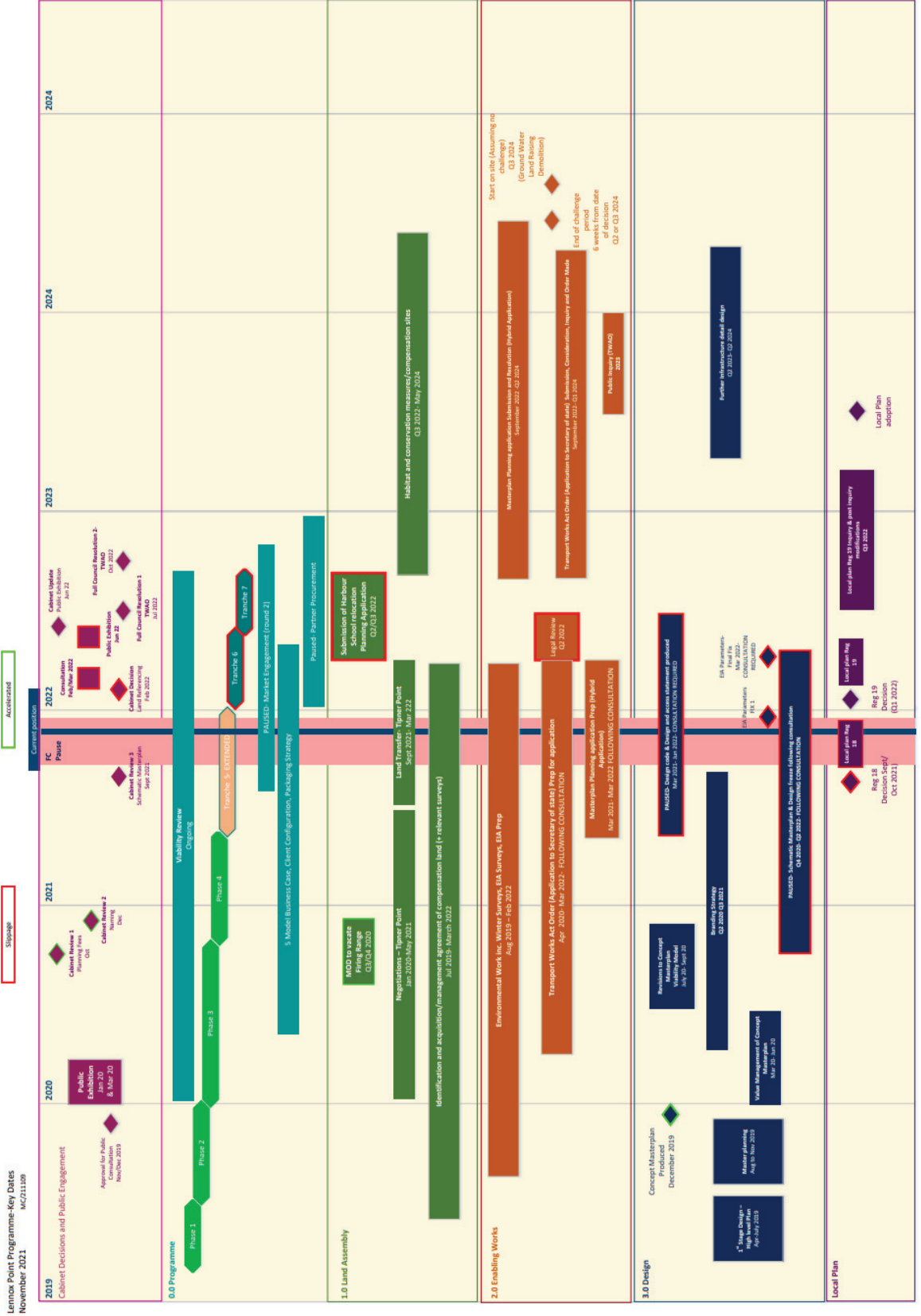


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- 6.0.1 Proposals for development at Tipner West and Horsea Island East have been referenced within Portsmouth City Council archives since 1953 with little or no progress seen until the City Deal funding was secured in 2013.
- 6.0.2 Following the successful City Deal bid, an initial multi-disciplinary team was appointed to scope the work. In 2016 a new multi-disciplinary team, led by Savills supported by WSP, Gensler and Marina Projects was appointed to carry forward the proposals.
- 6.0.3 In terms of governance, the City Deal project board was established in 2015, which included political members and involvement from the Local Planning Authority.
- 6.0.4 Engagement with British Marine Federation, Queen's Harbour Master, The Royal Navy, The Crown Estates, Natural England, the Environment Agency, and DEFRA began in 2016. Environmental surveys also commenced.
- 6.0.5 The land acquisition of the MOD firing range and Horsea Island East was also agreed. Land acquisition for this site has complicated delivery for a significant number of years on Tipner West and is integral to unlocking the site.
- 6.0.6 In 2017 the regeneration directorate was formed, along with the strategic developments team who took up the project, establishing a clear distinction between the Local Planning Authority (LPA) role and the Council's role as development promoter.
- 6.0.7 The separation of roles allowed the project to connect with the private sector and other public sector bodies and adopt a more commercial approach, while still maintaining a close link to the LPA and the needs of the city. This move has meant that the project has been able to define its vision within the framework set by the Local Plan and move forward to design a specific project that meets Portsmouth's needs.
- 6.0.8 The diagram below illustrates key dates and programme activity across different project workstreams, including land assembly, enabling works and design. The diagram highlights the current status and proposed next steps from 2022 to 2024.

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6.0.9 Lennox Point high level programme (Figure 6) (Appendix G)



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7.0 Consideration and evaluation of Tipner West options

- Various options for Tipner West and Horsea Island East, ranging in scale and outcomes, have been explored
- Each option has been assessed against the City Deal, national government housing targets, the local transport plan critical infrastructure, the Council's commitment to a sustainability agenda, and the emerging Local Plan
- If the Council is to pursue any development on Tipner West, new flood defences and a Habitat Regulation Assessment are required
- The options and costs are evaluated on the creation of serviced plots that are ready for private sector developers to build on

7.0.1 In order to begin the evaluation of different options for Tipner West, throughout 2016/17 the strategic developments team, with support from expert consultants, considered the 'do nothing', 'do minimum' and 'do something' options for the site. These options are outlined in more detail below (sections 7.1 to 7.5).

7.0.2 The remit was to:

Explore options to maximise the opportunities of the City Deal sites (Tipner West and Horsea Island East) to deliver sustainable development that creates a new community. The Council will look for innovation and imagination in the masterplan and supporting application to ensure that the future development is of high quality and sustainable in all elements. In developing the masterplan the Council needs to work with the team to explore all alternatives and evidence why options have been discounted. Consideration must be given to options such as land reclamation, alternative energy sources and the potential to create further deep-water frontage and habitat mitigation.

7.0.3 Sections 7.1-7.5 below present a detailed view of what development can be delivered across five distinct options, the related environmental impact and financial analysis:

- No nothing - no intervention on Tipner West and the related flood risk (7.1)
- Developing the existing land mass - in line with the Local Plan 2012 (7.2)
- Developing the existing land mass - in line with the City Deal 2013 (7.3)
- Developing the existing land mass - as explored from 2016 (7.4)
- Developing the existing land plus land reclamation (Lennox Point) (7.5)

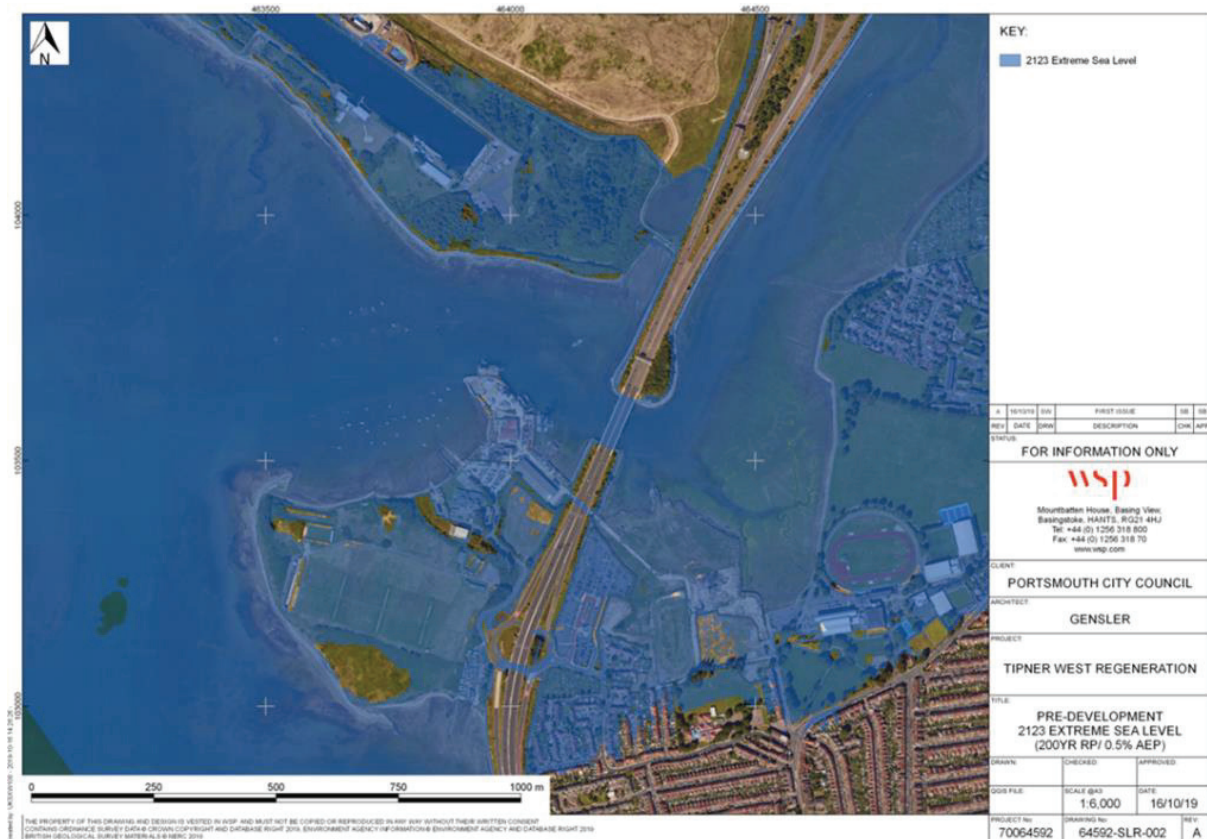
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7.1 Do nothing and the related flood risk

What does this option deliver and cost? (Reference section 8.2)	
Number of homes	0
Does the option meet the Solent maritime need? <i>Reference section 3.2</i>	No
How many net additional operational jobs?	0
What % of government housing target for Portsmouth does this meet? <i>Reference section 3.3</i>	0%
What % of affordable homes requirement (set by government) will this deliver? <i>Reference section 3.3.7</i>	0%
Will this option have a mix that developers will want to deliver (e.g. % split of apartments to houses)?	N/A
Will this option have a likely impact resulting in a Habitat Regulations Assessment? <i>Reference section 4.2</i>	Yes
Are there imperative Reasons of Overriding Public Interest to develop this site? <i>Reference section 4.2.1</i>	N/A
Overall uninflated infrastructure costs	£0
What would the cost be for flood defences and working quays?	£-
What would the cost of raising the land, including any reclamation, be?	N/A
What would the cost be for flood defences per unit?	No dwellings
Combined cost per dwelling of land raising, reclamation and flood defences	No dwellings
What is the overall infrastructure cost per dwelling?	No dwellings
Total uninflated residential and employment land value, including parking income, ground rent and City Deal funding. <i>Reference section 3.1</i>	-£48.75m (City Deal repayment)
Uninflated viability gap/subsidy required	-£48.75m
Inflated viability gap/subsidy required to effect a zero overall NPV (includes costs of borrowing)	N/A
Additional subsidy required per dwelling	No dwellings

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- 7.1.1 Portsmouth's sea-levels are due to rise by around 70cm over the next 70 years.
- 7.1.2 The existing coastal defences at Tipner West are in poor condition. The 2011 Portsea Island Coastal Strategy Study⁶ estimated that defences on Horsea Island East may fail within 5-10 years, and within 10-15 years on Tipner West. Due to lack of maintenance over recent years, there is an increasingly high risk that these defences could fail sooner.
- 7.1.3 As there are no homes on the Tipner West site it is extremely unlikely that flood defences would be funded by the Environment Agency and must therefore be funded by the Council.
- 7.1.4 The do-nothing option will mean the loss of the existing land mass to flooding. This will result in the loss of the existing land uses on the site, including the Harbour School, as well as the loss of the inter-tidal and terrestrial habitats that form part of the designated nature conservation sites. It is anticipated that intertidal habitats are likely to see a 40% reduction by 2120.
- 7.1.5 In addition, flooding would leak through to Tipner East and Stamshaw, as shown in the image below. The image shows the estimated extent of flooding by 2123 – accounting for 100 years climate change and assuming that nothing is done to protect Tipner West.
- 7.1.6 Figure 7:2123 Extreme Sea Level (0.5% Annual Exceedance Probability) – Pre-Development Scenario



⁶ <https://coastalpartners.org.uk/static/media/resources/2011-04-14-portsea-star2-11-final-revc-blanked-signs.pdf>

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- 7.1.7 Should the defences fail, there is a risk of releasing contaminants present in the ground into Portsmouth Harbour and polluting designated nature conservation sites. The site currently represents a weak-spot in island-wide defences, particularly in comparison to the recent/current North Portsea and Southsea coastal defence schemes.
- 7.1.8 Under this option the Council may be required to return the £48.75m City Deal grant to central government, of which £18.6m (as at 27/10/21) has been spent and would need to be identified from within the council's resources. No provision has been made for this so approved capital schemes of equivalent value may be impacted.

Conclusion:

- **Sea levels are rising and habitats will be affected as they are not protected as this work is unfunded**
- **doing nothing to the existing land mass is, at best, a short-term position as flood defences will be required at significant cost**
- **installing flood defences will result in environmental damage**
- **without sea defences there would be a contamination risk to the harbour**
- **the Council may be required to return the £48.75m City Deal funding to central government.**

The viability of this option is explored further in Section 8.0.

- 7.1.9 Flood defence costs have been explored in partnership with the coastal scheme, already in construction. The exact nature and costs for sea defences at Tipner West will depend on which option is selected for the site. However flood defences are likely to cost between £4,000 and £16,500 per linear metre and are projected to be on average £7,750 per linear metre. This is in line with current flood defence work in the city. For example, flood defence work in North Portsea cost £7,800 per linear metre in 2018 (£9,700 per linear metre in 2021). Please note the costs of construction and materials continues to rise at pace which will impact the future cost of flood defence work.

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7.2 The existing land mass - Local Plan 2012

Figure 8

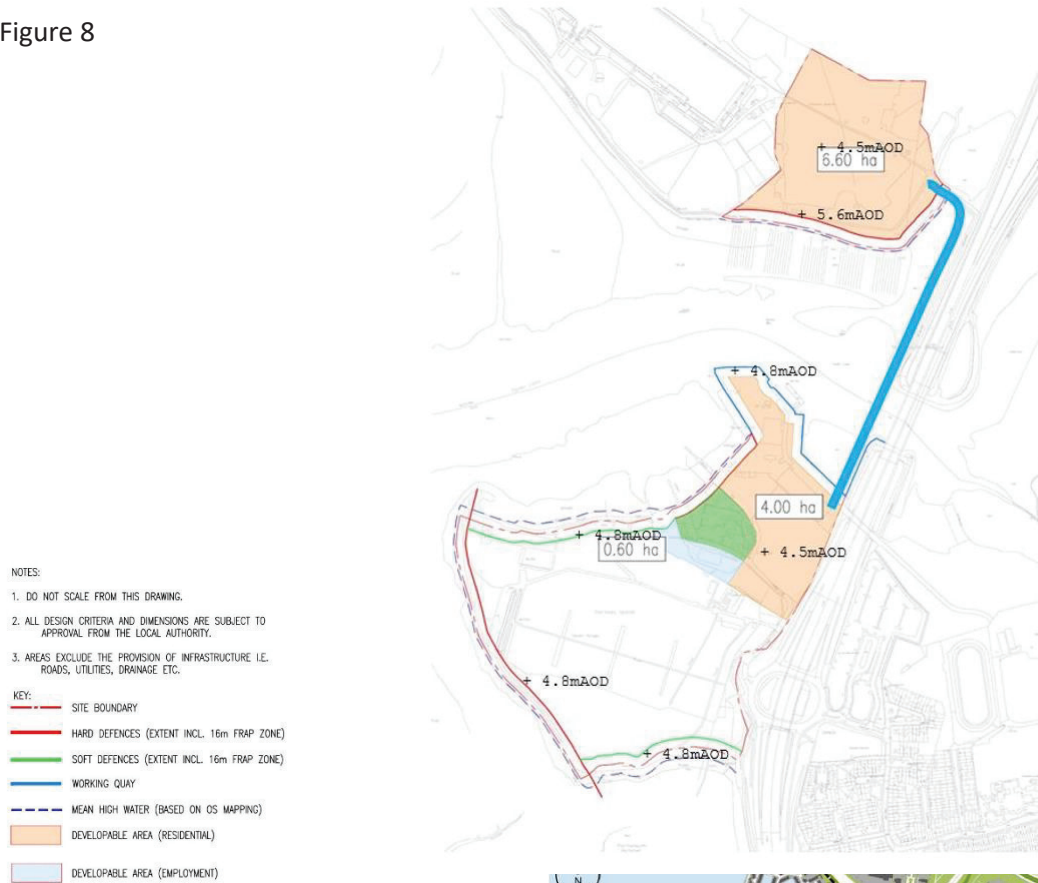


Figure 9



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What does this option deliver and cost? (Reference section 8.2)	
Number of homes	1270
Does the option meet the Solent maritime need? <i>Reference section 3.2</i>	No
How many net additional operational jobs?	810 0 marine related
What % of government housing target for Portsmouth does this meet? <i>Reference section 3.3</i>	7%
What % of affordable homes requirement (set by government) will this deliver? <i>Reference section 3.3.7</i>	5.9% circa 381 homes (based on 30% of homes on site)
Will this option have a mix that developers will want to deliver (e.g. % split of apartments to houses)? <i>Reference section 7.2.5</i>	Yes
Will this option have a likely impact resulting in a Habitat Regulations Assessment? <i>Reference section 4.2</i>	Yes
Are there imperative Reasons of Overriding Public Interest to develop this site? <i>Reference section 4.2.1</i>	Likely
Overall uninflated infrastructure costs	-£209.69m
What would the cost be for flood defences and working quays?	-£34.44m
What would the cost of raising the land, including any reclamation, be?	-£3.02m (no reclamation)
What would the cost be for flood defences per unit?	-£27,114
Combined cost per dwelling of land raising, reclamation and flood defences	-£29,634
What is the overall infrastructure cost per dwelling?	-£165,113
Total uninflated residential and employment land value, including parking income, ground rent and City Deal funding	£98.44m (possible partial repayment of City Deal)
Uninflated viability gap/subsidy required	-£111.25m
Inflated viability gap/subsidy required to effect a zero overall NPV (includes costs of borrowing)	-£129.29m
Additional subsidy required per dwelling	-£101,803

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- 7.2.1 In order to protect this landmass with flood defences, options to do something were considered that looked at delivering the anticipated development set out in the 2012 Local Plan, including the bridge link to Horsea Island East and development at Horsea Island East.
- 7.2.2 In this option, the terrestrial designated conservation sites are retained and not impacted, but defended through flood defences and land raising, although there would be impact to the harbour designated conservation sites through delivery of the bridge link.
- 7.2.3 The Harbour School could remain, but it is understood that this is not the school's preference given that it would be surrounded by construction in the short term and then residential and employment development.
- 7.2.4 The employment development proposed on Tipner West was not marine employment. Marine employment would require water access, large open yard areas and high single storey space, necessitating a larger land take than set out in the Local Plan. This option does not meet the marine employment needs and is not compliant with the City Deal aspirations.
- 7.2.5 Theoretically, housing can be accommodated on Horsea Island East and Tipner West in a market facing mix of 45% homes and 55% apartments to meet the proposed allocation of 1,270 homes but cost to defend, cap and raise the land would be prohibitive.
- 7.2.6 However, housing on Horsea Island East is not an option the MOD would support. If the employment land at Tipner West were to move to Horsea Island and the Harbour School were relocated, this would still not provide sufficient land to deliver the full 1,270 homes as set out in the 2012 Local Plan.
- 7.2.7 Under this option the Council may be required to return the £48.75m City Deal grant to central government, of which £18.6m (as at 27/10/21) has been spent and would need to be identified from within the council's resources. No provision has been made for this so approved capital schemes of equivalent value may be impacted.

Conclusion:

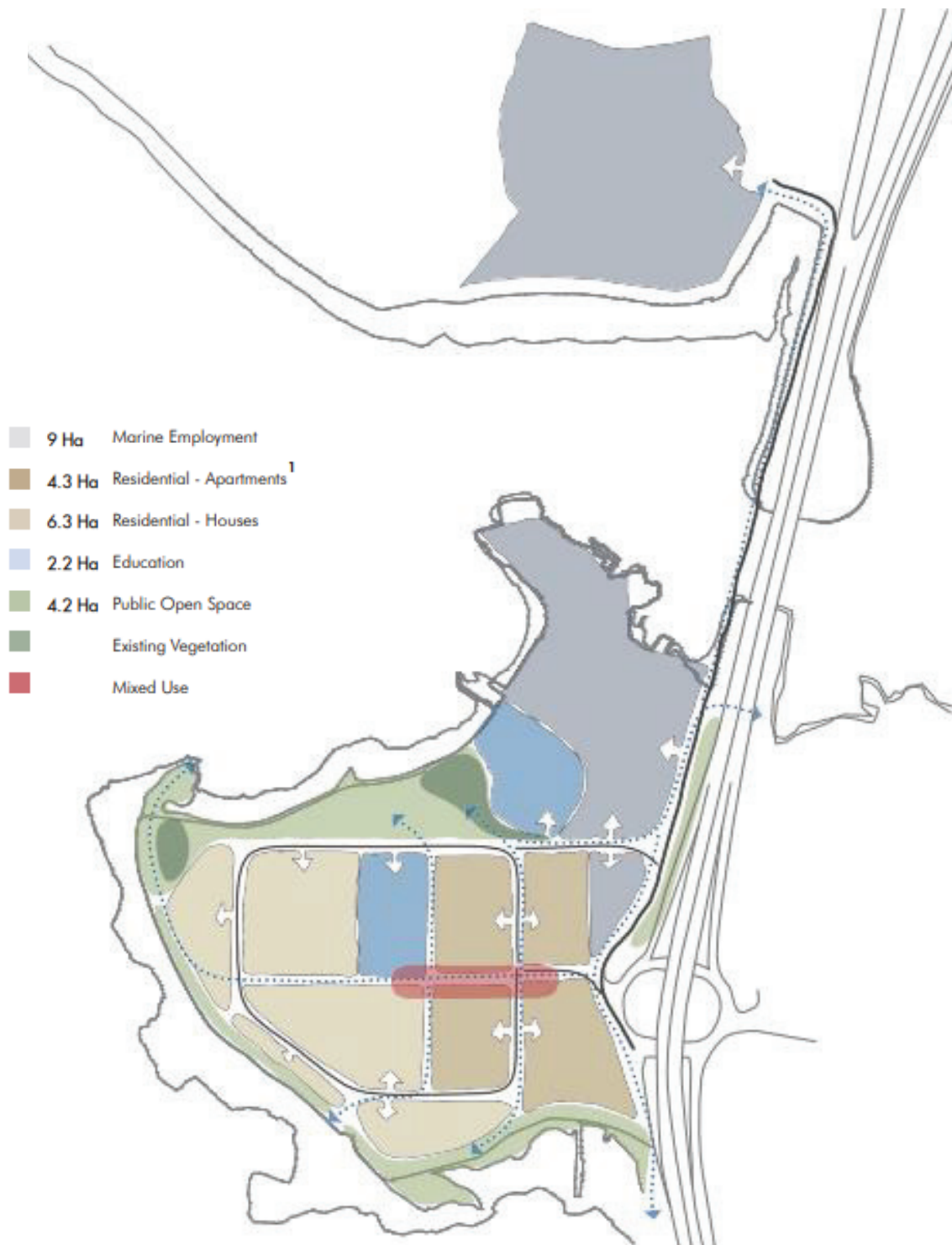
- **this option would not meet the marine employment need**
- **this option would not meet the housing numbers suggested, and certainly not the city's overall need**
- **the Council may be required to return the £48.75m City Deal grant to central government**
- **as such, the 2012 Local Plan option was discounted and has not been progressed any further.**

The viability of this option is explored further in Section 8.0.

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7.3 The existing land mass - City Deal 2013

Figure 10 (Appendix H)



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What does this option deliver and cost? (Reference section 8.2)	
Number of homes	1250
Does the option meet the Solent maritime need? <i>Reference section 3.2</i>	Yes 58,000sqm
What is the gross number of on-site operational jobs created?	2640 1900 marine related
What % of government housing target for Portsmouth does this meet? <i>Reference section 3.3</i>	7%
What % of affordable homes requirement (set by government) will this deliver? <i>Reference section 3.3.7</i>	5.8% circa 375 homes (based on 30% of homes on site)
Will this option have a mix that developers will want to deliver (e.g. % split of apartments to houses)? <i>Reference section 7.3.3</i>	No Higher number of apartments required 68% apartments
Will this option have a likely impact resulting in a Habitat Regulations Assessment? <i>Reference section 4.2</i>	Yes
Are there imperative Reasons of Overriding Public Interest to develop this site? <i>Reference section 4.2.1</i>	Likely
Overall uninflated infrastructure costs	-£235.05m
What would the cost be for flood defences and working quays?	-£34.44m
What would the cost of raising the land, including any reclamation, be?	-£5.47m (no reclamation)
What would the cost be for flood defences per unit?	-£27,548
Combined cost per dwelling of land raising, reclamation and flood defences	-£31,925
What is the overall infrastructure cost per dwelling?	-£188,037
Total uninflated residential and employment land value, including parking income, ground rent and City Deal funding	£74.63m
Uninflated viability gap/subsidy required	-£160.42m
Inflated viability gap/subsidy required to effect a zero overall NPV (includes costs of borrowing)	-£182.50m
Additional subsidy required per dwelling	-£146,002

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- 7.3.1 The City Deal was signed in 2013 and was the benchmark for what the consultant team was appointed to deliver.
- 7.3.2 The City Deal reflected that residential development was not suitable for Horsea Island East and placed employment across Horsea Island East and Tipner West, along with development of the former firing range. While the former firing range is part of the terrestrial designated conservation site, this land was transferred to the Council as part of the City Deal so it could be developed.
- 7.3.3 In order to deliver the City Deal aspirations of 1,250 homes at Tipner West, along with the marine and maritime employment of 58,000sqm at Tipner West and Horsea Island East, the development would need to maximise densities and apartment living. This would require a mix that would not be market facing, comprising only 32% housing and 68% apartments with reduced income and marketability.

Conclusion:

The City Deal option would:

- **leave Portsmouth with a considerable housing shortfall**
- **provide little sustainable infrastructure**
- **have an adverse impact on the land-based protected conservation sites**
- **have an adverse marine nature conservation impact through dredging and bridge works**
- **be unable to deliver its own requirements due to the quantum of development proposed on a small land mass**
- **as a result of the above, be difficult to deliver financially.**

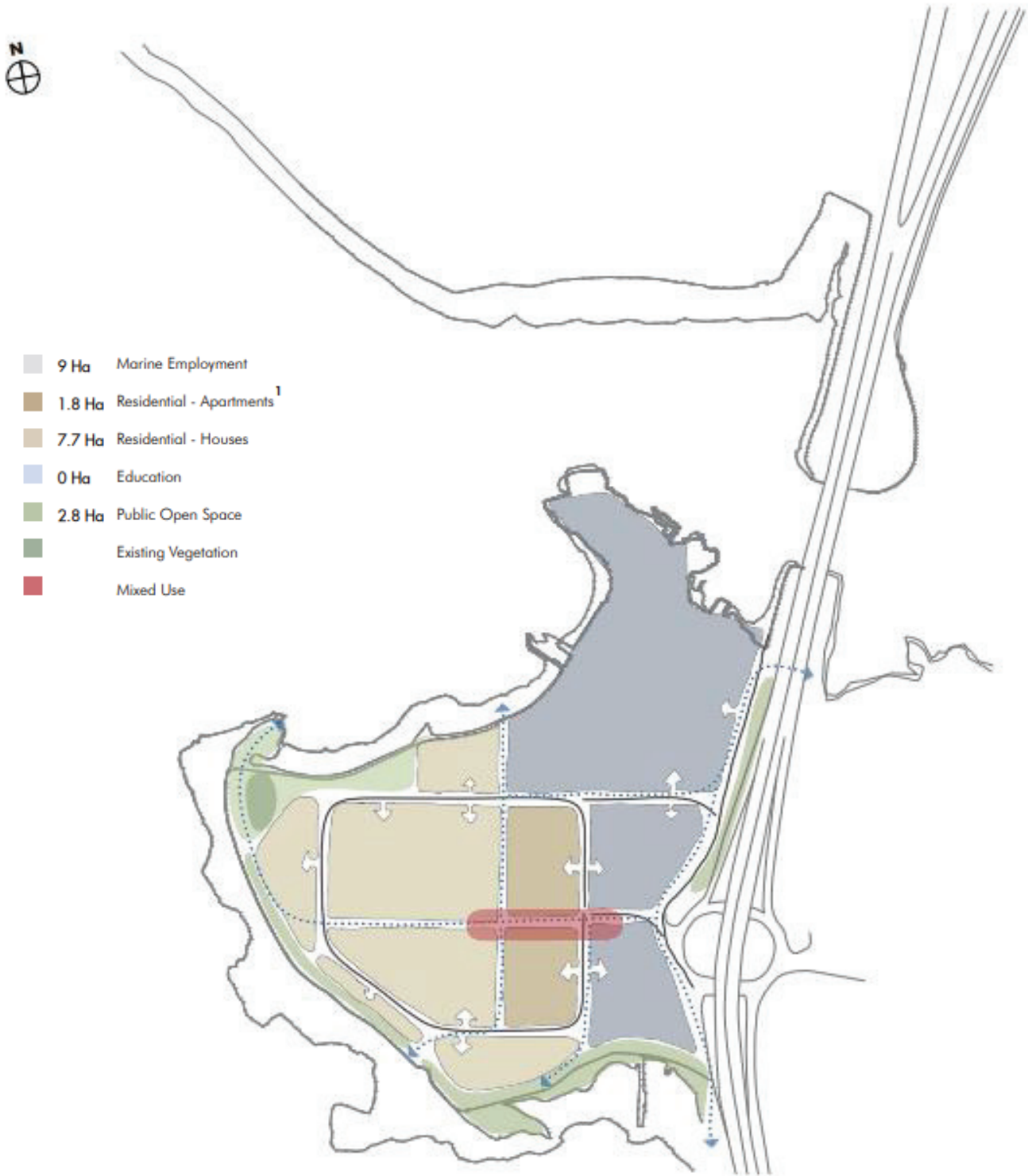
The 2013 City Deal option was discounted and other options were considered.

The viability of this option is explored further in Section 8.0.

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7.4 The existing land mass - explored from 2016

Figure 11 (Appendix I)



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What does this option deliver and cost? (Reference section 8.2)	
Number of homes	821
Does the option meet the Solent maritime need? <i>Reference section 3.2</i>	Yes 58,000sqm
How many net additional operational jobs?	2550 1900 marine related
What % of government housing target for Portsmouth does this meet? <i>Reference section 3.3</i>	5%
What % of affordable homes requirement (set by government) will this deliver? <i>Reference section 3.3.7</i>	3.8% circa 246 homes (based on 30% of homes on site)
Will this option have a mix that developers will want to deliver (e.g. % split of apartments to houses)? <i>Reference section 7.4.2</i>	Yes
Will this option have a likely impact resulting in a Habitat Regulations Assessment? <i>Reference section 4.2</i>	Yes
Are there imperative Reasons of Overriding Public Interest to develop this site? <i>Reference section 4.2.1</i>	Likely
Overall uninflated infrastructure costs	-£194.55m
What would the cost be for flood defences and working quays?	-£32.06m
What would the cost of raising the land, including any reclamation, be?	-£4.73m (no reclamation)
What would the cost be for flood defences per unit?	-£39,053
Combined cost per dwelling of land raising, reclamation and flood defences	-£44,810
What is the overall infrastructure cost per dwelling?	-£236,970
Total uninflated residential and employment land value, including parking income, ground rent and City Deal funding	£81.88m (Possible partial repayment of City Deal Grant)
Uninflated viability gap/subsidy required	-£112.67m
Inflated viability gap/subsidy required to effect a zero overall NPV (includes costs of borrowing)	-£126.42m
Additional subsidy required per dwelling	-£153,984

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- 7.4.1 The third option considered developing the existing land mass only at Tipner West to provide for the marine and maritime employment needs but using the remaining land for housing in a market-facing approach to assist its deliverability. No bridge link to Horsea Island East was included due to the expense and also the impact that it would have on the sub-tidal habitat due to the footings.
- 7.4.2 In this option, in order to deliver a market facing mix of 45% houses and 55% apartments it is anticipated that only just over 800 homes could fit on the existing land mass, which results in a substantial shortfall of supply for the emerging Local Plan, delivering only 5% of the housing target and only 3.8% of Portsmouth's affordable housing need.
- 7.4.3 This number of homes will not deliver a sustainable community nor the infrastructure to support those homes. This would become a dormitory commuter development on the edge of the motorway. Values would reflect this and therefore would not gain any premium from place-making initiatives.
- 7.4.4 This option would also still require the loss of the terrestrial conservation designation at the firing range and there would be some loss of sub-tidal through dredging to enable the marine employment facility.

Conclusion:

This proposal was not carried forward by the council due to:

- **the limited delivery of homes**
- **lack of support for the costs of the development**
- **loss of the important terrestrial habitat requiring compensation**
- **not being City Deal compliant.**

The viability of this option is explored in Section 8.0.

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7.5 Existing land mass plus land reclamation (Lennox Point)

Figure 12



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What does this option deliver and cost? (Reference section 8.2)	
Number of homes	3500
Does the option meet the Solent maritime need? <i>Reference section 3.2</i>	Yes 58,000sqm
How many net additional operational jobs?	5530 1900 marine related
What % of government housing target for Portsmouth does this meet? <i>Reference section 3.3</i>	20%
What % of affordable homes requirement (set by government) will this deliver? <i>Reference section 3.3.7</i>	16.4% circa 1050 homes (based on 30% of homes on site)
Will this option have a mix that developers will want to deliver (e.g. % split of apartments to houses)? <i>Reference section 7.5.3</i>	Yes
Will this option have a likely impact resulting in a Habitat Regulations Assessment? <i>Reference section 4.2</i>	Yes
Are there imperative Reasons of Overriding Public Interest to develop this site? <i>Reference section 4.2.1</i>	Likely
Overall uninflated infrastructure costs	-£497.21m
What would the cost be for flood defences and working quays?	-£40.81m
What would the cost of raising the land, including any reclamation, be?	-£43.41m
What would the cost be for flood defences per unit?	-£11,651
Combined cost per dwelling of land raising, reclamation and flood defences	-£24,044
What is the overall infrastructure cost per dwelling?	-£141,937
Total uninflated residential and employment land value, including parking income, ground rent and City Deal funding	£378.48m
Uninflated viability gap/subsidy required	-£118.72m
Inflated viability gap/subsidy required to effect a zero overall NPV (includes costs of borrowing)	-£158.94m
Additional subsidy required per dwelling	-£45,373

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- 7.5.1 As per the Council remit (7.0.2) to help deliver a sustainable community and support the marine and maritime employment development, land reclamation was explored as a last option to deliver the ambitions of the Council for more homes, marine employment jobs, the critical infrastructure to reconnect the city and protection from sea level rise, in a financially and sustainably robust way.
- 7.5.2 This option must have a mix of houses to apartments that would be marketable in Portsmouth and a quantum that, due to its unique geography, must allow for a sustainable community to be delivered and seek to reduce commuting.
- 7.5.3 The mix, heights and densities would be retained as optimal for the market and local needs, to ensure attractiveness to deliver.
- 7.5.4 In order to reduce the amount of reclamation required to a minimum, the scheme would be designed to incorporate place making in order to increase value and therefore help keep the additional number of homes needed and land-take minimised.
- 7.5.5 At the same time, the property values need to remain affordable to the local population and proposed employees at Tipner West, and therefore any increased value needs careful balancing to ensure these aspirations are still met.
- 7.5.6 In order to deliver the optimum number of homes, at suitable densities, deliverable heights, at suitable cost/value, with the ability to underpin the infrastructure costs of its delivery, the proposed land take must be only what is required and minimised where possible to reduce the impacts from reclamation.
- 7.5.7 The proposed land reclamation will be phased across the delivery of Lennox Point. It is intended to utilise local materials as part of the land mass creation which could include routinely dredged material from within Portsmouth Harbour.
- 7.5.8 It is intended for the land reclamation engineering works to be undertaken without releasing the carbon already stored within the existing mudflats. New natural carbon stores will also be created in new areas of mudflat and saltmarsh, as part of the compensatory habitats.
- 7.5.9 **In order to deliver a robust level of capital contribution to the programme to enable a viable delivery of the proposals, including the housing and marine employment, and to deliver a self-sustaining neighbourhood, it was identified that a figure of circa 3,500 homes should be targeted for the site, requiring land reclamation of circa 27 hectares. The area is calculated using average densities across all options plus the requisite amount of open space.**
- 7.5.10 This scheme is represented by the Lennox Point proposals.

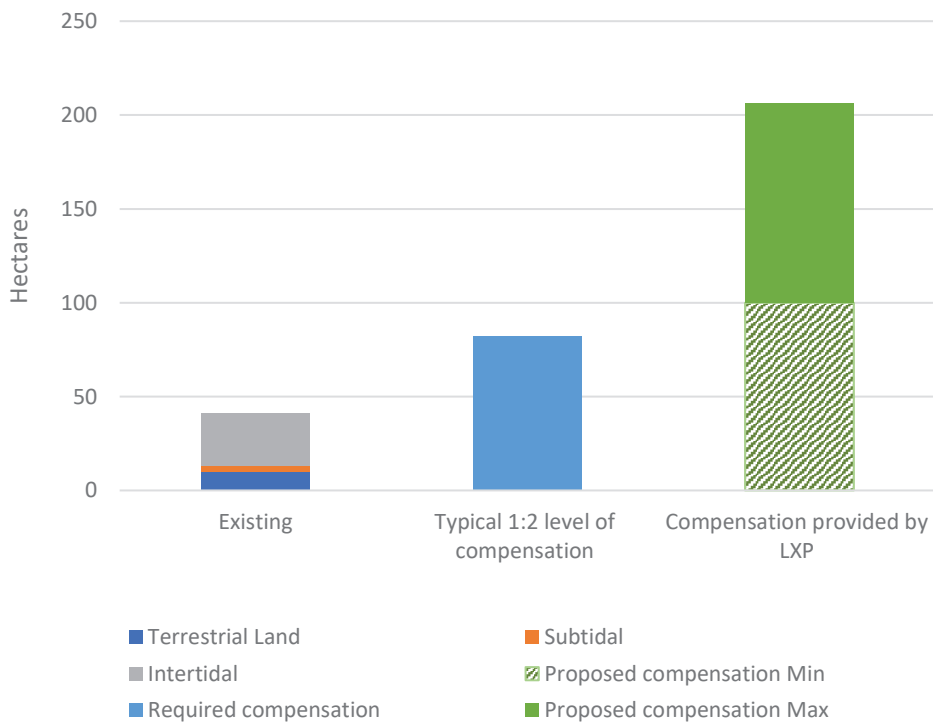
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7.5.11 There are environmental concerns about development on a Site of Special Scientific Interest (SSSI), a Special Protection Area (SPA) and a Ramsar site. The Tipner West project team is following stringent processes to ensure environmental impacts can be mitigated and compensated for appropriately and is looking to provide an overall net environmental and biodiversity gain.

7.5.12 **Although it is common to use a ratio of 1:2 (habitat loss to compensation), Lennox Point is likely to provide a ratio between 1:3 - 1:5. This is a more robust approach that will deliver greater environmental net gain.**

7.5.13 In addition, the proposed compensation will be designed to be futureproof for climate change and sea level rise.

7.5.14 Figure 13: Graph showing approximate area of habitat loss against a 1:2 standard ratio, alongside the proposed compensation land provision from the Lennox Point proposals (minimum and maximum).



7.5.15 **Intertidal habitat (IT) - Between 93 and 170 ha would be gained** through proposed compensation. The direct impact from the scheme on marine habitat including intertidal habitat and roost sites would be 35.43ha (2.84% of the 1,247ha Portsmouth Harbour SPA).

7.5.16 **Supporting (Brent Geese (BG) habitat – Between 10 and 36 ha would be gained** through proposed compensation. The direct impact from the scheme to terrestrial habitat including supporting Brent Geese habitat and roost sites would be 5.51ha.

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7.5.17 It is important to note that the metric work has been an iterative process. As new survey data has become available, and the masterplan is revised, the outputs have been updated. Metric calculations will be carried out on the final selected sites to ensure they meet the requirements.

Conclusion:

The project team concluded that due to the unique situation of this site, requiring land raising and no existing infrastructure, there was no excuse not to look at an exemplar scheme.

- **The scale of this option can fund and support a self-sustaining community**
- **it will reinforce the principles of Portsmouth's Regeneration Strategy**
- **while this option does incorporate land reclamation, the amount of reclamation has been kept to a minimum within the scope of viability**
- **if there is going to be an impact on the environment, the Council has a duty to secure a high level of compensation, explore a development option that could re-define sustainable development and the way people could live, and address the need to deliver better, affordable homes for the people of Portsmouth.**

The viability of this option is explored in Section 8.0.

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8.0 Options appraisal and financial implications

- The site will flood unless defended and cost between £14 million and £34 million to protect (depending on the level of protection) plus the potential repayment of the City Deal grant £48.75m
- All options, bar protection of the exiting land mass, have an environmental impact
- Lennox Point can meet the housing and marine employment need and requires less subsidy per home than any other option considered
- The City Deal funding may be required to be fully or partially repaid to the government if Portsmouth is unable to deliver against its targets
- Lennox Point is the only proposal that meets Portsmouth's needs, the City Deal aims and is most financially viable

8.0.1 The table below (8.2 and 8.3) shows the options appraisal for the proposed schemes outlined in section 7.0-7.5. This also details the viability for each option and associated costs, which remain under constant review.

8.1 Financial analysis


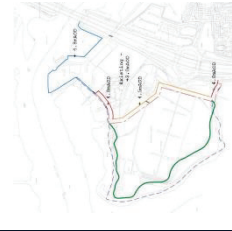





8.1.1 The Council, along with its consultants, has carried out financial appraisals of various options (**Appendix J**) that could see a development come forward. The site is challenging given its coastal location, previous use and the fact that not all of the site is in the Council's ownership.

8.1.2 With any development that could be brought forward at Tipner West there are a number of unavoidable costs, such as sea defences, land remediation and relocations costs, to name a few. By expanding the site, it is possible to deliver more homes, employment space and community infrastructure, thus making the scheme more financially viable.

8.1.3 The table below sets out the four options with residential development that have been considered. It shows that none of the options are financially viable without further government subsidy. This was highlighted in the October 2020 report to Cabinet that requested authorisation to continue to secure a planning permission on the site. The Lennox Point option would require less subsidy per home than the other options because the number of homes that could be built is far greater and each unit would contribute to the infrastructure costs of the development.

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8.2 Options appraisal

Option	Do nothing	Defend existing users	Defend existing land mass	Develop existing land mass	2012 Local Plan	City Deal	Lennox Point
Details							
Number of homes	0	0	0	821	1270	1250	3500
Does the option meet the Solent maritime need? <i>Reference section 3.2</i>	No	No	No	Yes 58,000sqm	No	Yes 58,000sqm	Yes 58,000sqm
How many net additional operational jobs?	0	(45 jobs held - 4 marine related)	(45 jobs held - 4 marine related)	2550 (1900 marine related)	810 (0 marine related)	2640 (1900 marine related)	5530 (1900 marine related)

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What % of government housing target for Portsmouth does this meet? <i>Reference section 3.3</i>	0%	0%	0%	5%	7%	7%	20%
What % of affordable homes requirement (set by government) will this deliver? <i>Reference section 3.3</i>	0%	0%	0%	3.8% circa 246 homes (based on 30% of homes on site)	5.9% circa 381 homes (based on 30% of homes on site)	5.8% circa 375 homes (based on 30% of homes on site)	16.4% circa 1,050 homes (based on 30% of homes on site)
Will this option have a mix that developers will want to deliver (e.g. % split of apartments to houses)?	N/A	N/A	N/A	Yes	Yes	No Higher number of apartments required 68% apartments	Yes
Will this option have a likely impact resulting in a Habitat Regulations Assessment? <i>Reference section 4.2</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Are there imperative Reasons of Overriding Public Interest to develop this site? <i>Reference section 4.2.1</i>	Unlikely	Likely	Likely	Likely	Unlikely as there is not sufficient marine employment	Likely	Likely

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8.3 Options appraisal - costs

Appendix J Appendix K	Do Nothing	Defend Existing Users	Defend Existing Land Mass	Develop Existing Land Mass	2012 Local Plan	City Deal	Lennox Point
Overall uninflated infrastructure costs	£0	-£14.76m	-£32.06m	-£194.55m	-£209.69m	-£235.05m	-£497.21m
What would the cost be for flood defences and working quays? ⁷	£-	-£14.76m	-£32.06m	-£32.06m	-£34.44m	-£34.44m	-£40.81m
What would the cost of raising the land, including any reclamation, be?	N/A	N/A	N/A	-£4.73m (no reclamation)	-£3.20m (no reclamation)	-£5.47m (no reclamation)	-£43.41m
What would the cost be for flood defences per unit?	No dwellings	No dwellings	No dwellings	-£39,053	-£27,114	-£27,548	-£11,651
Combined cost per dwelling of land raising, reclamation and flood defences	No dwellings	No dwellings	No dwellings	-£44,810	-£29,634	-£31,925	-£24,044

⁷ Additional information section 7.1.9

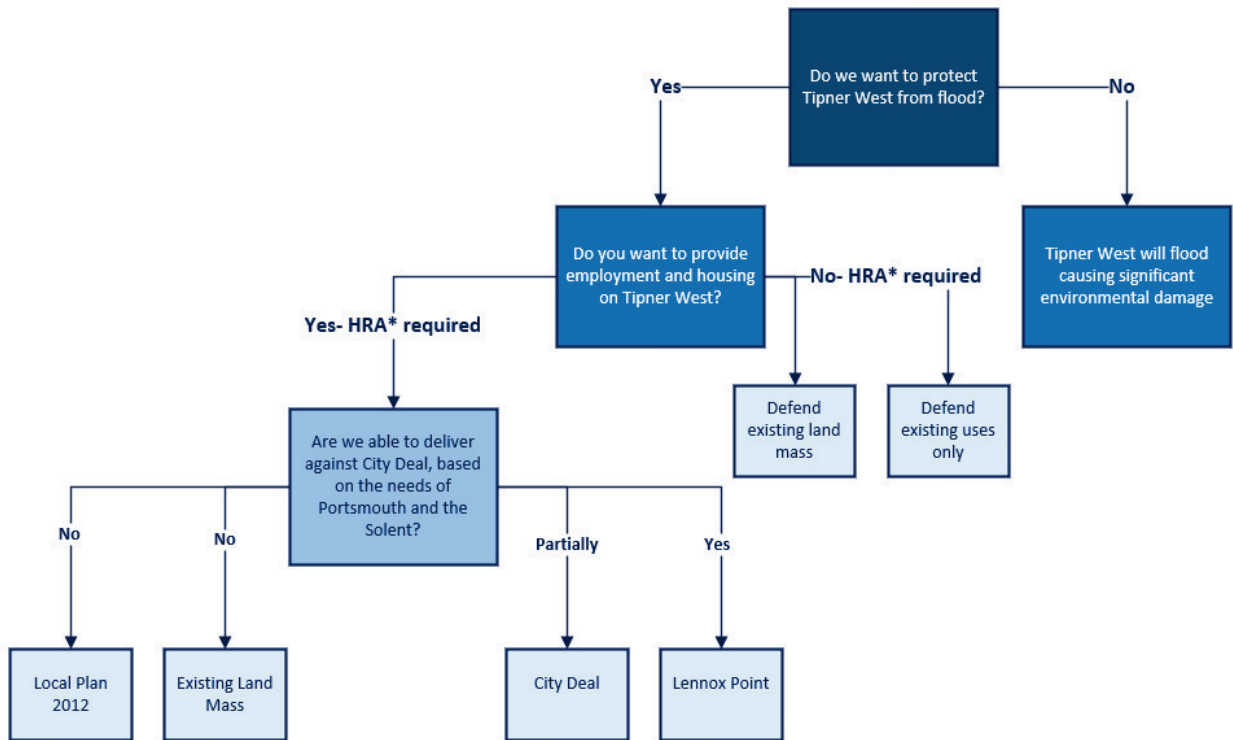
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What is the overall infrastructure cost per dwelling?	No dwellings	No dwellings	No dwellings	-£236,970	-£165,113	-£188,037	-£141,937
Total uninflated residential and employment land value, including parking income, ground rent and City Deal funding	-£48.75m (City Deal Grant repayment)	-£48.75m (City Deal Grant repayment)	-£48.75m (City Deal Grant repayment)	£81.88m (Possible partial repayment of City Deal Grant)	£98.44m (Possible partial repayment of City Deal Grant)	£74.63m	£378.48m
Uninflated viability gap/subsidy required	-£48.75m	-£63.51m	-£80.81m	-£112.67m	-£111.25m	-£160.42m	-£118.72m
Inflated viability gap/subsidy required to effect a zero overall NPV (includes costs of borrowing)	N/A	N/A	N/A	-£126.42m	-£129.29m	-£182.50m	-£158.94m
Additional subsidy required per dwelling	No dwellings	No dwellings	No dwellings	-£153,984	-£101,803	-£146,002	-£45,373

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8.4 Options appraisal - summary

The diagram below (Figure 14) sets out key questions to determine the scale and focus of development on Tipner West and offers a broad overview of possible outcomes.



* Habitat Regulations Assessment

9.0 Strengths, Weaknesses, Opportunities, and Constraints (SWOT) of three options

9.0.1 Based on the conclusions reached from the consideration of different options (section 7.0-7.5) and the option appraisal and financial implications (section 8.2), please see below a SWOT analysis (**Appendix L**) of the three following options:

- developing the existing land mass as explored from 2016 (Section 7.4)
- developing the existing land mass - City Deal (Section 7.3)
- developing the existing land mass plus land reclamation (Lennox Point) (Section 7.5)

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9.1 Existing land mass - as explored from 2016

Strengths

- Mixed development (employment and residential)
- Some residential revenue uses help fund site infrastructure
- **Minimise environmental impact – limited impact on intertidal**
- Reduced risk profile (due to infrastructure investment) appealing to wider development market
- **Planning consenting process simpler**
- Less new infrastructure required e.g., power, drainage, water etc.
- All maritime employment within the same area.

Weaknesses

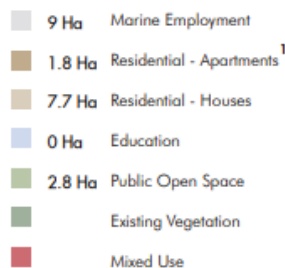
- The amount of housing is not likely to enable a self-sustaining community
- **Contribution to PCC housing need is significantly reduced from Lennox Point and City Deal, requiring houses elsewhere in the city**
- Requires a significant amount of initial infrastructure investment
- Excludes HIE, connection of city north and south and no bridge
- **Loss of protected terrestrial habitat**
- Smaller community does not support a new primary school on site (including limited community infrastructure/retail)
- Lack of ability to support Tipner East
- Will potentially require repayment of part of the City Deal funding.

Opportunities

- Mixed use helps placemaking (**Appendix M**)
- Provides some homes for marine employment
- **Meets marine employment need**
- Potential to meet environmental bodies mid-way
- Minimise cost and interface with MOD.

Constraints

- Lack of significant income producing uses (marine employment has limited financial profitability)
- Site area constrained by existing land mass with limited flexibility
- **Still need to provide compensation land**
- Placemaking uplift is limited by site setting (mudflats and highways)
- **Less ability to explore sustainability initiatives due to scale.**



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9.2 City Deal

Strengths

- Mixed development (employment and residential)
- Some residential revenue uses help fund site infrastructure
- Reduced environmental impact – limited impact on intertidal, but more than existing land mass option
- Reduced risk profile (due to infrastructure investment) appealing to wider development market
- Planning consenting process simpler
- **Less new infrastructure required e.g., power, drainage, water etc.**
- **Retains Harbour School.**

Weaknesses

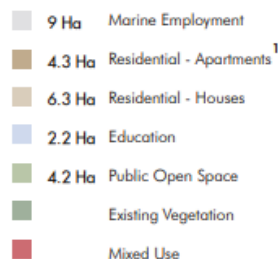
- The amount of housing is not likely to enable a self-sustaining community
- **Contribution to PCC housing need is significantly reduced from Lennox Point, requiring houses elsewhere in the city**
- Requires a significant amount of initial infrastructure investment
- **Loss of protected terrestrial habitat**
- Limited support to Tipner East in terms of facilities.

Opportunities

- Mixed use helps placemaking
- Provides some homes for marine employment
- Meets marine employment need
- **Potential to meet environmental bodies mid-way**
- Maximises the opportunity to connect to the wider city, HIE and Tipner East
- **Can support some limited community facilities**
- Has the ability to meet City Deal funding requirements.

Constraints

- Lack of significant income producing uses (marine employment has limited financial profitability)
- Site area constrained by existing land mass with limited flexibility
- Still need to provide compensation land
- Placemaking uplift is limited by site setting (mudflats and highways)
- Less ability to explore sustainability initiatives due to scale
- Works to HIE to be controlled/measured to limit impact to habitat
- **To achieve a deliverable scheme the housing mix is adjusted to include significantly more apartments making the mix less attractive to the market. Developers will only want to build something people want to buy**
- Complex consenting process as would require Transport Works Act Order.



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9.3 Lennox Point

Strengths

- Extensive mixed development
- Additional residential revenue uses help fund infrastructure
- **Market facing scheme with ability to phase development to help fund infrastructure costs**
- Diverse housing mix (45% homes and 55% apartments)
- Development scale can deliver a significant regeneration factor
- **Scale of opportunity makes for an attractive pipeline for the development market**
- Makes a significant contribution to the Portsmouth housing need figures
- Less subsidy per home than any other option.

Weaknesses

- Requires substantial capital investment initially
- Scale of the project may only appeal to a section of the development market
- **Will present environmental challenges, over and above the existing land mass and city deal, through planning process with a case to be made and strong evidence base required**
- Potential ongoing concern over land reclamation could impact deliverability.

Opportunities

- Mixed use helps create a balanced community and quality of place
- Ability to phase land mass/reclaimed area to suit development needs
- Character area brings variation of design and uses to the masterplan
- **Maximises the opportunity to connect to the wider city, HIE and Tipner East**
- **Sustainability opportunities are wide and varied – due to scale and mass**
- Has the ability to meet City Deal funding requirements
- **Additional opportunities across Portsmouth for investment, jobs and economic prosperity.**

Constraints

- Lack of significant income producing uses, aside from residential (marine employment has limited financial profitability)
- **Infrastructure and engineering requirements over and above land reclamation and sea defences which impacts amount of developable land available**
- Complex consenting process as would require Transport Works Act Order.



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9.4 Cabinet approval to proceed

10.0.1 As a result of the assessment of these alternatives (sections 7, 8 and 9) it was agreed by Cabinet in October 2020 that the project board should continue to pursue a submission of a planning application.⁸

10.0.2 As the scheme was likely to have an impact on the nature conservation designations (as would most of the other schemes), the initial work was to understand if and how that impact could be overcome. Through liaison with Natural England during 2016-2018 positive progress was made, so that by 2019, when the strategic developments team had been set up, the concept master-planning for the site at Tipner West and Horsea Island East could continue. The resulting scheme became known as Lennox Point.

10.0.3 The site promotion report (**Appendix D**) was submitted to the Local Planning Authority in August 2021 to set out the rationale, the need, and the justification for the Lennox Point proposals.

10.0 The development of the Lennox Point proposals⁹

10.0.1 The City Deal investment unlocked the regeneration potential of Tipner West and the opportunity to create an ambitious and viable plan that celebrates Portsmouth's skills, location and ambitions for the future.

10.0.2 It is a complex and challenging site, but a unique opportunity to do development differently and deliver on the aspirations set out by residents in Portsmouth's City Vision:

- to have a thriving economy that attracts investment and creates brilliant career opportunities
- to encourage high, positive aspirations for our young people
- to be a green city that enables people to live healthier and more active lives and travel more easily on foot, by bike or public transport
- to provide good homes for all residents - homes where they feel safe, feel like they belong, and can thrive.

10.0.3 The proposed masterplan for Lennox Point has been shaped by five design principles, all rooted in creating a sustainable neighbourhood that supports the aspirations outlined in Portsmouth's City Vision.

10.0.4 While the overall design principles have been adopted, detailed designs are still to be considered and will be informed by the outcomes of environmental assessments and surveys, consultation with stakeholders and members of the public, and the finalised Local Plan.

⁸ [Agenda for Cabinet on Tuesday, 6th October, 2020, 12.00 pm Portsmouth City Council](#)

⁹ www.lennoxpoint.com

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10.0.5 The five design principles are:

- **Pedestrian first** - a network of paths, parks, squares, and cycle routes will create a walkable neighbourhood at Lennox Point, offering universal accessibility and encouraging people to walk, wheel and cycle. The streets will prioritise people over vehicles, allowing residents to move, exercise, sit and play safely (**Appendix N**).
- **Strong and healthy communities** - Lennox Point will be designed to cater for every stage of life, help foster an inclusive community and help people stay fit and healthy. Community facilities will bring people together - within a 10-minute walk of every home.
- **Closer to nature and the water** - the proposals create new green spaces and parkland and link Lennox Point to the water and beautiful surrounding landscape. A rich mix of natural habitats will be established to improve biodiversity. Recreational amenities will enable people to enjoy the great outdoors.
- **Beacon of innovation Portsmouth** - Lennox Point will show the world what Portsmouth can do, demonstrating new technologies in practice and creating an inspiring entrepreneurial and educational environment for enterprise to thrive.
- **Climate responsive** - the ambition is for Lennox Point to be the south coast's first net zero carbon neighbourhood. As a totally new place, there is the ability and responsibility to build a resilient and adaptable place that will respond to climate change. Lennox Point will benefit from a high specification of building insulation; passive solar design; on-site renewable energy generation; low energy modern methods of construction, such as off-site construction and factory assembly; and using electric power over mains gas throughout the development.

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10.1 Realisation of the design principles

Pedestrian first	Strong and healthy communities	Closer to nature and the water	Beacon of innovation Portsmouth	Climate responsive
Every home will be within a 10-minute walk to the water and everyday amenities and a 5-minute walk to public transport connections.	3,500 new, good quality homes, including 30% affordable homes and the opportunity to incorporate build to rent. <i>N.B. There are no plans to include detached homes.</i>	2.5km of accessible waterfront created.	58,000 sqm sub regional marine and maritime centre of excellence delivering: 1,900 maritime jobs (Appendix C) and apprenticeships, 1,470 jobs in other sectors and 1,500 temporary construction jobs.	All electric site harnessing renewable energy sources.
1:3 ratio of parking provided on site in a secure car store.	All homes have been priced at current Portsmouth market rates.	Community gardens and allotments incorporated.	Training and skills, research and development opportunities.	The land will be raised to accommodate flood risk.
Disabled parking will be provided across the site.	A retirement community will support older residents.	10% biodiversity net gain over and above any compensation.	The south coast's first net carbon zero neighbourhood.	Capture rainwater to prevent waste, use for recreation and improve ecology.
Quick and easy bus connections with the city centre, Park and Ride, Port Solent, railway stations.	At least 25 sqm of green space per person.	Areas of the most valuable native habitats - such as intertidal mudflats and exposed shingle shorelines - enhanced and recreated.	Enterprise Zone status.	Embrace circular economy principles to minimise waste and maximise the long-term value of materials.
M275 junction remodelled and improvements made for pedestrians and cyclists.	A two-form entry primary schools will support families in Lennox Point and neighbouring areas.	Development designed for and around biodiversity.	Excellent digital connectivity for every home and workplace.	Design for the climate - green roofs, solar panels, tree canopies.
Lennox Point linked to Portsmouth's cycle network and new routes provided.	GP surgery to support health and wellbeing.	All homes to have a view of the water or green space.	Every home is a smart home.	Build a smart grid and mobility energy infrastructure.

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10.2 Consultation and feedback to date

- **Engagement activity (Appendix O) has been undertaken with members of the public, stakeholders (Appendix P), the marine and maritime sector, investors, developers and future supply chain**
- **Feedback from the business community and the marine sector has been positive and supportive**
- **Roadshow events have been held across the city for members of the public and a formal public consultation was planned for November 2021 (paused following 13 October meeting)**

10.2.1 The project team has undertaken a number of consultation exercises to engage residents, the marine and maritime sector, investors, developers and future supply chain, including resident roadshows and workshops, two industry days and a marine market sounding research exercise.

10.2.2 Delivering social value has been central to the project from the outset. The development of the balanced scorecard measures for suppliers, the Council's social value policy and the development of an e-brokerage system for the future supply chain, will drive opportunities for local suppliers, particularly SMEs and start-ups.

Marine and maritime sector consultation

10.2.3 A marine sector market sounding exercise was undertaken in June/July 2021 to ascertain the market's appetite for the marine employment hub. 46 marine sector organisations responded positively, the organisations ranged from potential main tenants and marine hub/boatyard operators, to supply chain businesses, developers and investors.

10.2.4 Interested organisations operate across the breadth of the marine sector with new-build, marine leisure, repair and refit, and commercial vessel sectors most highly represented. 19% of responding businesses interested in the marine employment hub are large businesses (over 250 employees) and 7% have a turnover greater than £250m.

10.2.5 This exercise led to serious and constructive conversations with leading names in the sector who see themselves as potential future occupiers and flagship tenants for the scheme.

Investor, developer and supply chain consultation

10.2.6 The project team has hosted two industry days (2019 and 2021) to update businesses in Portsmouth and beyond on the Tipner West project and proposed Lennox Point masterplan. Over 400 delegates, representing local, national and international organisations attended the Lennox Point industry days.

10.2.7 The developer / funders that have engaged with the project have all made it very clear that they will need to see strong cross-party support for the project and support from statutory approval bodies before committing bidding resources.

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10.2.8 Lennox Point has been very positively received in 1-1 confidential meetings with major developer / funders who have expressed confidence regarding the viability of the market mix proposed and in raising the significant financial capital required to deliver the upfront infrastructure works.

Public consultation

10.2.9 Public consultation to date includes roadshow events in autumn 2019 and early 2020. These events at locations across the city gave residents a chance to review the plans for Tipner West, ask questions and share feedback on topics such as transport, the environment, infrastructure, employment and heritage. Residents were invited to share feedback.

10.2.10 The feedback received showed that 42% of comments related to transport and connectivity, 26% the environment, 26% infrastructure, public services and activities, 4% related to the restoration of buildings and 2% employment and economic growth. The feedback has helped shape and inform the evolving masterplan for Lennox Point. Focus groups involving Portsmouth residents were also established to name Lennox Point.

10.2.11 A formal six-week consultation on the Lennox Point masterplan was planned for November and December 2021. This was to include a series of drop in events at locations around the city and an online virtual consultation room. An extensive consultation survey was to be made available for residents to complete online, on a paper form or over the phone and the feedback used to shape the masterplan ahead of the planning application being submitted in 2022. This activity is currently paused.

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Snapshot of feedback from industry day delegates

Amazing idea, very forward thinking & great to see the council pushing this venture. Great to see our local community at the forefront of such an innovative approach to modern society

What an incredible afternoon hearing about Portsmouth City Council's ambitious plans for Tipner West. An event starting a conversation to change the way we live and work in the city. Be ambitious!

Lennox Point is absolutely fascinating, the vision is fantastic. The concept of the scheme, all very innovative - very exciting.

It could be setting the standard for developments elsewhere in the country, so I think to be involved with something at the forefront is fantastic.

Portsmouth is a sea-based economy, it's an island. It's really important that we recognise that and we don't turn ourselves inward facing, that we're still outward facing, we recognise the opportunities for the environment and the coast.

Portsmouth has a very unique challenge in terms of its housing and lack of space, so to be able to utilise space in a very innovative way, if we can get this right, this will be a stunning exemplar to the rest of the world on how to do things.

Car free zones and electric cars are the future without a doubt and to embed that into the design is so paramount.

PLEASE NOTE: Securing a developer / funding partner is likely to fall within the scope of the procurement regulations. Given the complexity of the scheme, a significant procurement process will need to be undertaken requiring a significant time commitment and the allocation of extensive bidding resources from prospective developer / funders.

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10.3 core team at Portsmouth City Council

10.3.1 The Lennox Point programme is governed by a Delivery Board and a Portfolio Board. A Working Group informs decisions and works on the programme detail. Decisions in these forums are taken in line with corporate portfolio and cabinet governance unless delegated authority through the City Deal is applicable (**Appendix Q**).

10.3.2 Since 2016 the Council's project team has grown and now includes officers and members below:

Programme team	Working group - monthly	Board (by invitation/as required) monthly	Board (required attendees) monthly	Portfolio Board
Assistant Director strategic developments	Procurement	Housing, neighbourhoods, building services	Section 151 officer	The Leader / Deputy Leader
Strategic project manager	TRP finance lead	Procurement	Director regeneration	Cabinet Member for Planning Policy & City Development
Project manager	TRP legal lead	Transport	Finance	
Assistant project manager	Civils and infrastructure	Civils and infrastructure	Legal	
Communications lead	Property and investment	Property and investment		
Bid manager				
Programme Management Office				

10.4 The requirement for a consultant team

10.4.1 The Lennox Point project team is supported by expert consultants, including consultant planners, architects, structural and civil engineers, cost consultants, ecologists and marine consultants. They have been appointed for their expertise and understanding of similarly large scale, complex and environmentally important projects.

10.4.2 The Council procured a multi-disciplinary team in 2015 (including architect Gensler, engineering firm WSP and specialist marine experts Marina Projects), led by property and planning experts Savills, on a clear brief to obtain a deliverable consent for development that meets the City Deal requirements. They remain employed, following a review in 2020/21.

10.4.3 The team has evolved since 2016 to meet a more focused project brief in 2019 and to bring in experts as required to deliver emerging requirements.

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- 10.4.4 This team has only undertaken work necessary to inform the planning application and has employed a risk managed approach to any spending, ensuring as far as possible that any spend incurred would be required for any development of the site.
- 10.4.5 This focused approach ensures that spending only continues on tasks that are required to support the planning case, where there remains a reasonable expectation that a development can be delivered but recognising that any early-stage large scale development carries risk. This spending includes all information required for the Transport and Works Act Order (TWAO) and the Town and Country Planning Act (TCPA) Planning Application.
- 10.4.6 On the use of external consultants, it is worth noting that this work could not have been undertaken by Council officers in the planning and economic growth function, as they form part of the regulatory role of the Council. The application promotion work must be independent and without prejudice to the regulatory function of the Council.
- 10.4.7 In addition, the Council does not have sufficient resources, skills, expertise and experience to deliver projects of this scale, nature and complexity without consultant support.
- 10.4.8 The consultants were selected through a full OJEU competitive tender process to ensure the Council obtained value for money. The consultants have not increased their rates since tendering for the work in 2015.
- 10.4.9 In addition to the main consultancy team, consultancy costs have been incurred in relation to cost consultancy; supply chain management; advice for City Deal submission and preparation of business case; and regeneration programme advice.
- 10.4.10 Breakdown of consultant team:

Consultancy	Number of team members	Expertise
Savills - Lead Consultant	25	Planning advisor, research and economic guidance
Marina Projects	4	Maritime advisor
WSP	60	Engineering, transport planning, environmental and land reclamation expertise
Rosehill Advisors	1	Viability and market engagement
Hoare Lea	10	Sustainability and mechanical, electrical, and plumbing (MEP)
Environment Bank	4	Strategic ecology advisors
Dn & Co.	6	Branding and marketing
Gensler	10	Architect - masterplan
Strategy & Projects	1	Phase 1 delivery
Allies & Morrison	13	Phase 1 architect
Faithful and Gould	15	Cost consultants, project management, principal designer
Gardiner and Theobald	4	Specialist supply chain advisor and market delivery
Pinsent Masons	4	Legal advisors (consenting)

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10.5 Project governance - Local Planning Authority

10.5.1 In addition to the project (developer) team, board and working groups, the Local Planning Authority as regulator has established a series of forums around the project. These include a steering group, regulatory panel, heritage panel and LPA-led working group. These facilitate the sharing of information and liaison with key stakeholders including councillors, environmental groups (including the Environment Agency, Natural England, RSPB and Hampshire and Isle of Wight Wildlife Trust), heritage groups, legal, finance and planning officers.

Forum	Role	Attendees
Steering group - quarterly (LPA led)	<ul style="list-style-type: none"> To provide corporate management support and engagement To ensure liaison with councillors Dispute resolution and guidance To monitor the performance of the planning resource against agreed KPIs To review design information where necessary 	<ul style="list-style-type: none"> The LPA led by the Lennox Point planning case officer PCC legal PCC finance Elected member representatives from Paulsgrove and Nelson wards Cabinet Member for Planning Leader and Deputy Leader
Regulatory panel - bi-monthly (LPA led)	<ul style="list-style-type: none"> Established by the LPA pursuant to Coastal Concordat principles To bring together statutory DEFRA consultees (the Environment Agency, Natural England and the Marine Management Organisation) and non-statutory consultees (RSPB and, shortly, Hampshire and Isle of Wight Wildlife Trust) To provide a regular forum for consideration and assessment of the HRA and EIA work streams 	<ul style="list-style-type: none"> The Environment Agency Natural England Marine Management Organisation RSPB HIWWT
Heritage panel - quarterly (LPA led)	<ul style="list-style-type: none"> To consider, assess and comment upon emerging development proposals with specific regard to potential impacts upon designated and undesignated heritage assets To review potential setting impacts to heritage survey findings To consider mitigation measures are being progressed through a site-wide Environmental Impact Assessment (EIA) 	<ul style="list-style-type: none"> Portsmouth City Council as Local Planning Authority Historic England Hampshire County Council - county archaeologist The Portsmouth Society Hampshire Buildings Preservation Trust Naval Dockyard Society Futures for Defence Heritage Group
Working group - monthly (LPA led)	<ul style="list-style-type: none"> To enable discussions and the sharing of information on specific focus topics 	<ul style="list-style-type: none"> LPA (PCC as regulators) Project team (PCC as developer) Savills WSP Environment Bank

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10.6 Expenditure to date

10.6.1 Since April 2019 the Tipner West project team has only undertaken work necessary to inform the planning application and has employed a risk-managed approach to any spending, ensuring as far as possible that any spend incurred would be required for any development of the site. This approach was detailed in a report to Cabinet in October 2020. This spending includes all information required for the Transport and Works Act Order (TWAO) and the TCPA planning application.

10.6.2 This focused approach ensures that spending is focused on tasks that are required to support the planning case where there remains a reasonable expectation that a development can be delivered, recognising that any early-stage large scale development carries risk.

10.6.3 Breakdown of expenditure to date (as at 27/10/21):

Master planning consultant fees	£9.5m	Discussed in (10.6)
Land acquisition (incl. associated legal fees)	£3.8m	Represents purchase of MOD Land at Tipner West (firing range) and Horsea Island East as part of City Deal agreement
Survey costs	£2.4m	Specialist ground marine investigation works within Tipner Lake / Porchester lake, Tipner West and Horsea Island. Ecological and topographical surveys
Internal fees	£2.3m	Time charges to the capital scheme from various internal council services since 2013/14 (i.e. project management, regeneration, finance, legal, property, communications, highways, procurement)
Legal fees	£0.2m	Pre-submission external legal advice
Local planning fees	£0.2m	Planning performance agreement (PPA) with Local Planning Authority and all LPA governance since this commenced in 2021
Site management	£0.1m	Security and land management of firing range and Horsea Island East sites
Statutory fees	£0.1m	Discretionary advice from national bodies (i.e. Natural England, the Environment Agency, Marine Maritime Organisation, Crown Estate), licencing

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10.7 Recommendations and next steps

10.7.1 Ultimately the decision on alternative(s) for development at Tipner West is one for Full Council when it approves its Submission Local Plan for consultation under Regulation 19. This will follow the deliberations of the cross-party working group that is being established to discuss the strategic outcomes required in the Local Plan, focused in particular on the intended approach for Tipner West.

10.7.2 However, based on the insights and findings shared in this report, it is recommended by the promoter that the proposed Lennox Point option move forward towards public consultation and the submission of a planning application in 2022, as mandated by the cabinet approval on 6 October 2020.

10.7.3 If the Lennox Point proposal is to progress and have a significant positive impact on Portsmouth, there is a need for more engagement with stakeholders, including Members, specialist interest groups and residents, to help shape the future of the regeneration and inform the Council's decisions on this strategic, long-term programme of works.

10.7.4 This would be undertaken by the project team following the submission of the Local Plan for consultation under Regulation 19 and would include:

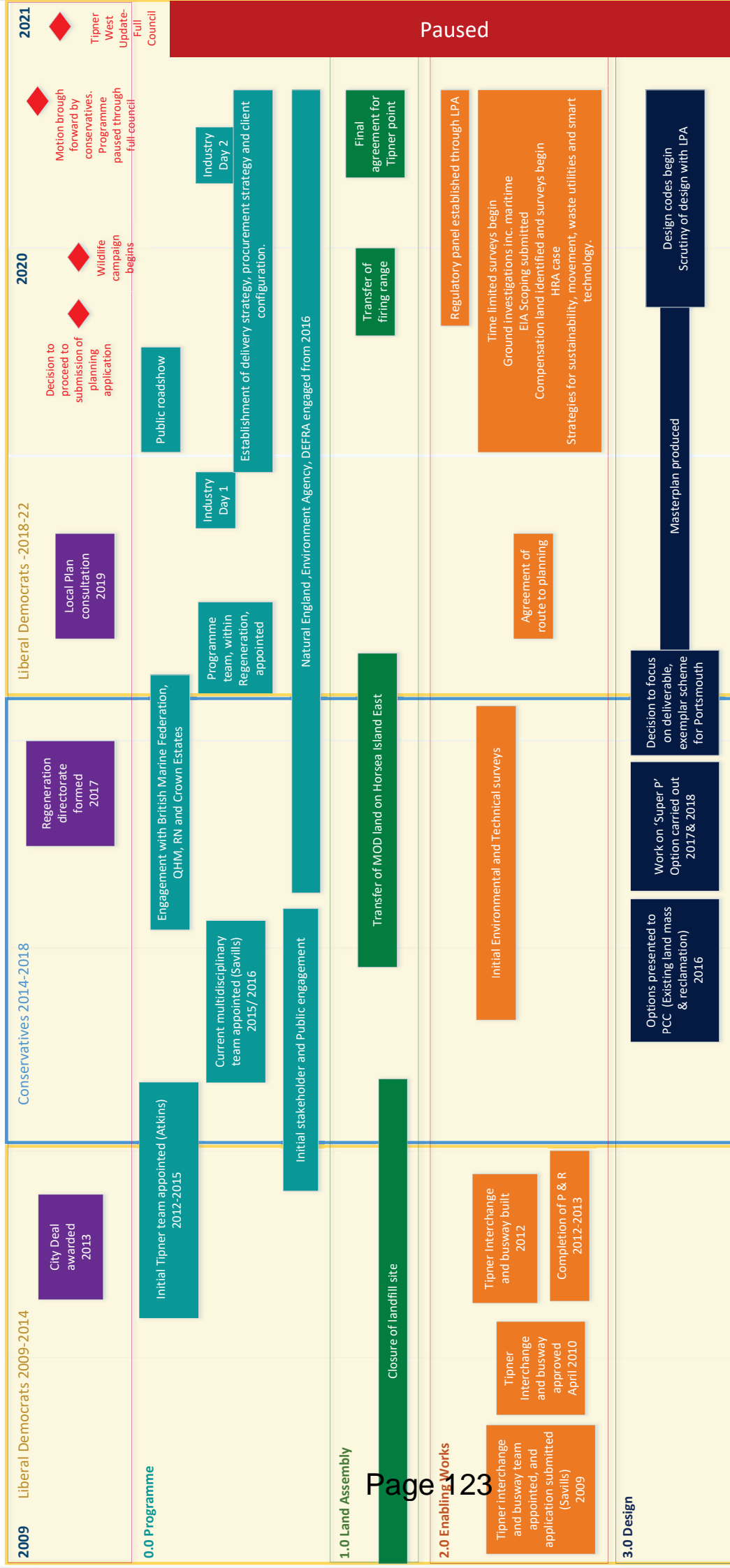
- engagement activity with Members, environmental groups and heritage stakeholders through the established working groups, boards, ward member briefings and regulatory panels
- monthly project updates to all Members, quarterly all-Member briefings and a cross-party working group that would help shape the regeneration. This would be supported by a strategic reporting platform that is accessible to Members so they can readily monitor progress on the programme
- a revised engagement strategy to include roadshow and consultation events, a people's panel to help shape the project, and regular communication through project and Council-led channels
- a revised market engagement strategy to reengage with potential investors, developers and suppliers, especially those in the marine and maritime sector.

11.0 Gateways and decision points

There are numerous points where this programme will require a decision from Full Council and from the Cabinet (**Appendix C**). These are as follows:

Date	Forum	Requirement
Subject to regulation 19 timetable	Cabinet decision	Land referencing
	Cabinet/Full Council update	Lennox Point applications and masterplan
	Cabinet decision	Relocations
	Full Council update	Following exhibition
	Full Council resolution	Transport Works Act Order - section 239
	Full Council resolution (post submission)	Transport Works Act Order - Section 239

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Hampshire &
Isle of Wight
Wildlife Trust

RSPB and Trust principles for Tipner West

Page 125

RSPB – Carrie Marchbank & Charlotte Bartlett
Hampshire & IOW Wildlife Trust – Sienna Somers & David Allwright

Our Approach

- Starting point
 - ▣ Not a masterplan but based upon the City Deal 2013 option
 - ▣ Highlight our principles and red lines and demonstrate public support
- Working with:

influence[®]



Hampshire &
Isle of Wight
Wildlife Trust



"During lockdown my partner and I first discovered the haven of peace and quiet in Tipner, and we are shocked to find that it is now under threat. We particularly noted the beautiful wildflowers which were buzzing with insects. We need all the green spaces we can get on Portsea Island, especially wild areas where nature can flourish without competing with humans."

"Exceptional beautiful area to walk around. Lovely to sit and observe the wildlife along that part of the coast. We live in a council block with no garden and these areas are so valuable for people like us to get out and about and to be a part of the natural habitat."

"I am 50 and I have been using this area since I was a teenager. It has given me space to think, exercise, build friendships and admire nature. During lockdown it was my families go to space in a city overcrowded by people exercising. Without it I don't know what we would've done. It improved our mental health. It is precious."

"I live in Tipner and the wildlife in our area matters to me a great deal. The sights and sound of the birds and other wildlife add to my sense of wellbeing and helped so many people during lockdown. Portsmouth City Council should be proud of this site, not intent on destroying it when the natural world is under so much pressure."

"Me and my wife like to walk around this area and if you look there isn't a lot of natural area this side of Portsmouth. Why take this little haven away?"

"Tipner West has been an integral part of our walking routine and has enabled us to remain connected with nature at a time when we were forbidden from travelling outside our local area. These connections with nature have been a daily highlight at a time when the only alternative would have been to walk around the city streets."

Principles



giving
nature
a home



Hampshire &
Isle of Wight
Wildlife Trust

1

Take the 'Lennox Point' super-peninsula off the table for good.

2

Avoid any direct damage to protected areas for nature.

3

Mitigate indirect impacts to the protected areas.

4

Create space for wildlife within the Tipner West development.

1. Take the 'Lennox Point' super-peninsula off the table for good.



giving nature a home



Hampshire & Isle of Wight Wildlife Trust

Portsmouth CITY COUNCIL

TipnerWest regeneration

Option 3: Increase the size and potential of the site with land reclamation



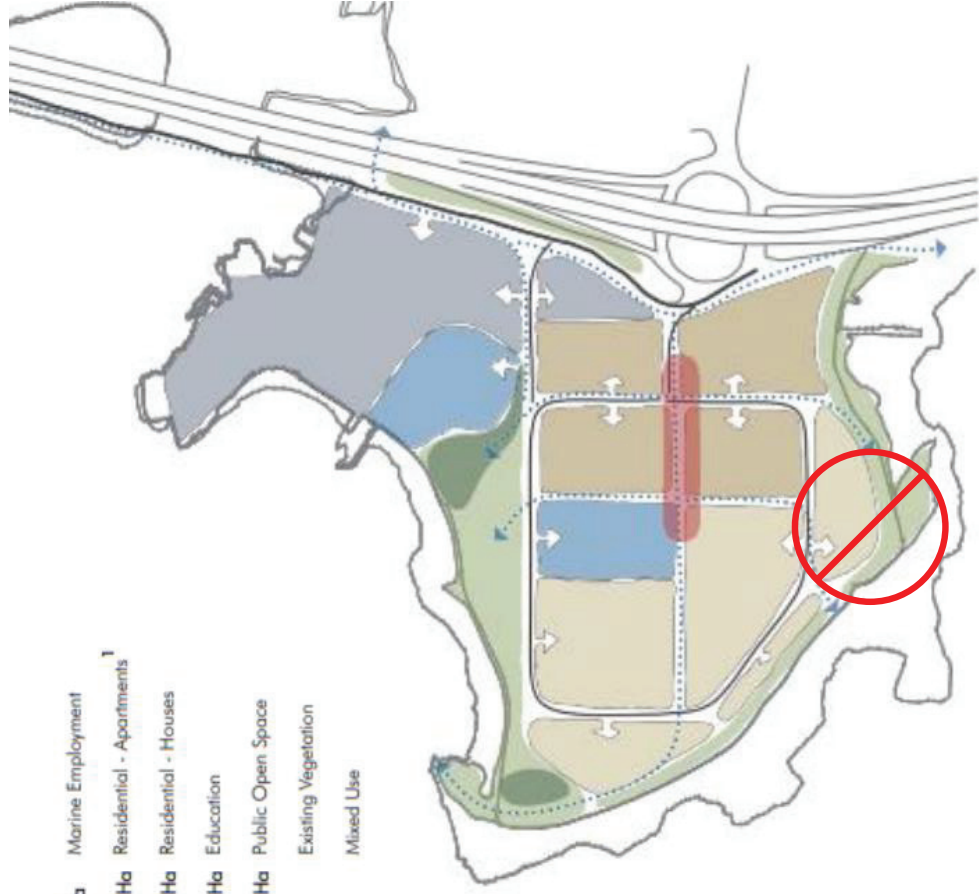
2. Avoid any direct damage to protected areas for nature



Hampshire & Isle of Wight Wildlife Trust



- 9 Ha Marine Employment
- 4.3 Ha Residential - Apartments
- 6.3 Ha Residential - Houses
- 2.2 Ha Education
- 4.2 Ha Public Open Space
- Existing Vegetation
- Mixed Use



3. Mitigate indirect impacts to the protected areas, including the loss of the firing range

Primary Support Area - P60

Special Protection Area





Hampshire & Isle of Wight Wildlife Trust



giving nature a home



Community hub and education space

Nature-positive design principles

Don't cross the line!

Portsmouth Harbour
Special Protection Area

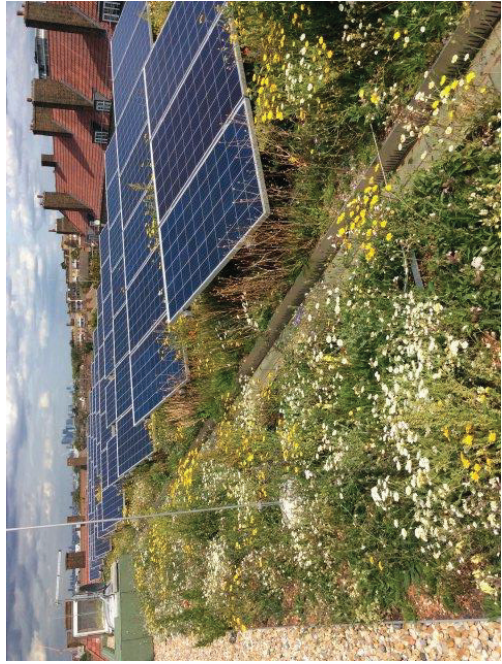
4. Create space for wildlife within the development

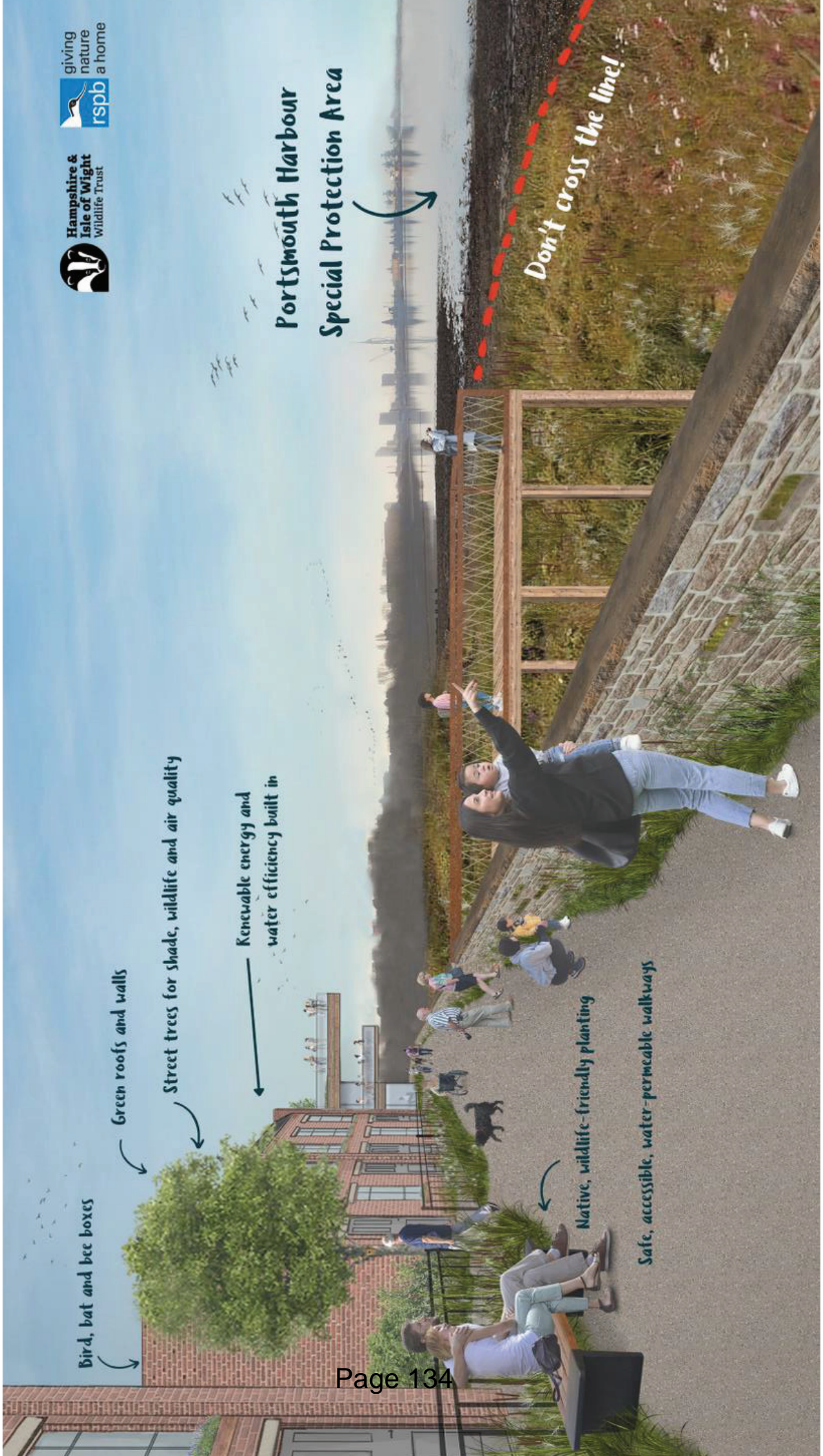


giving nature a home



Hampshire & Isle of Wight Wildlife Trust





Bird, bat and bee boxes

Green roofs and walls

Street trees for shade, wildlife and air quality

Renewable energy and water efficiency built in

Native, wildlife-friendly planting

Safe, accessible, water-permeable walkways

Portsmouth Harbour Special Protection Area

Don't cross the line!

Next steps...

- An option for Tipner West that recognises the climate & nature emergency as well as meeting the needs of the local community.
- We will work with the Council in order to achieve this.
- We will continue to object and mobilise our supporters unless proposals deliver within the environmental limits of the site.

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PCC - Successful Funding Bids

15.08.22

PCC Bids		
Date	Description	Amount
2018	EA Funding for North Portsea sea defences	£50m
2019	EA Funding for Southsea sea defences	£150m
2020	TCF Funding for SEHRT project (combined bid with HCC)	£60m
2020	FMZ Funding from DFT (combined with SCC)	£30m
2020	Future High Street (2 successful bids)	£6.9m
2021	Levelling Up Bid - Linear Park in the North of the City	£20m
2021	UK Community Renewal Fund	£1.6m
2021	COP26 Conference Funding	£30k
2021	Emergency Active Travel Fund	£215k
2021	Clear Air Zone	£6.6m
2021	Clean Air Fund	£2.7m
2021	Bus Retrofit	£2.7m
2022	BSIP £48m for Bus Service Improvements	£48m

Non PCC Bids		
Date	Description	Amount
2020	Getting Building Fund (on behalf of PfSH and was eventually directly awarded to Hampshire and Isle of Wight Wildlife Trust)	£5m
2020	Portsmouth HIVE and VCSE sector covid grants	£224k
2021	Solent Freeport Bid	£5m Seed capital

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Group Briefings
Portsmouth Local Plan
August 2022

Updated position on Housing Supply

Total Portsmouth Plan period Housing target

Target element	number
Standard Method	16,161
Potential Buffer (including under delivery) “Eastleigh Method”	1,601
Total	17,762
Potential Buffer (including under delivery) “Winchester Method”	879
Total	17,040

Based on recent methodological decisions by the Planning Inspectorate at an adjacent authority once the buffers, and under delivery from the first year of the plan period, have been factored in the total need to be met in the city comes to 17,762 dwellings.

An alternative method has been suggested by another neighbouring authority that would reduce this assessment to 17,040

Supply Summary

Supply source	Reg 18 Dwellings	Reg 19 Dwellings
Completions	-	300
Permissions	1,090	1,693
Small site (not yet permitted)	5,429	3,427
Windfall (53pa)	918	901
Strategic Sites		
Tipner (East)	681	1,055
Tipner (West)	3,500	1,250
St James and Langstone	436	436
City Centre	4,605	4,589
Cosham	740	546
Lakeside	500	500
Pompey Centre	750	750
Strategic Sites Total	11,112	9,126
Under delivery discount	-1,616	-573
Total	16,933	14,873
Duty to cooperate	TBC (potentially 1,000)	TBC (potentially 1,000)
Shared Accommodation	-	TBC

Need vs Supply

	Number
Target	17,040 to 17,762
Supply	14,873
Shortfall	2,167 to 2,889

The table above shows that with the latest revised need and supply figures there is an unmet need for housing. Even if there was no buffer applied to the target there would still be a shortfall of dwellings against the standard method.

This excludes the 1,000 dwellings being assumed to be taken by Fareham Borough Council and Havant Borough Council.

Need vs Supply

	Number
Target	17,040 to 17,762
Supply	14,873 + 1,000 DtC
Shortfall	1,167 to 1,889

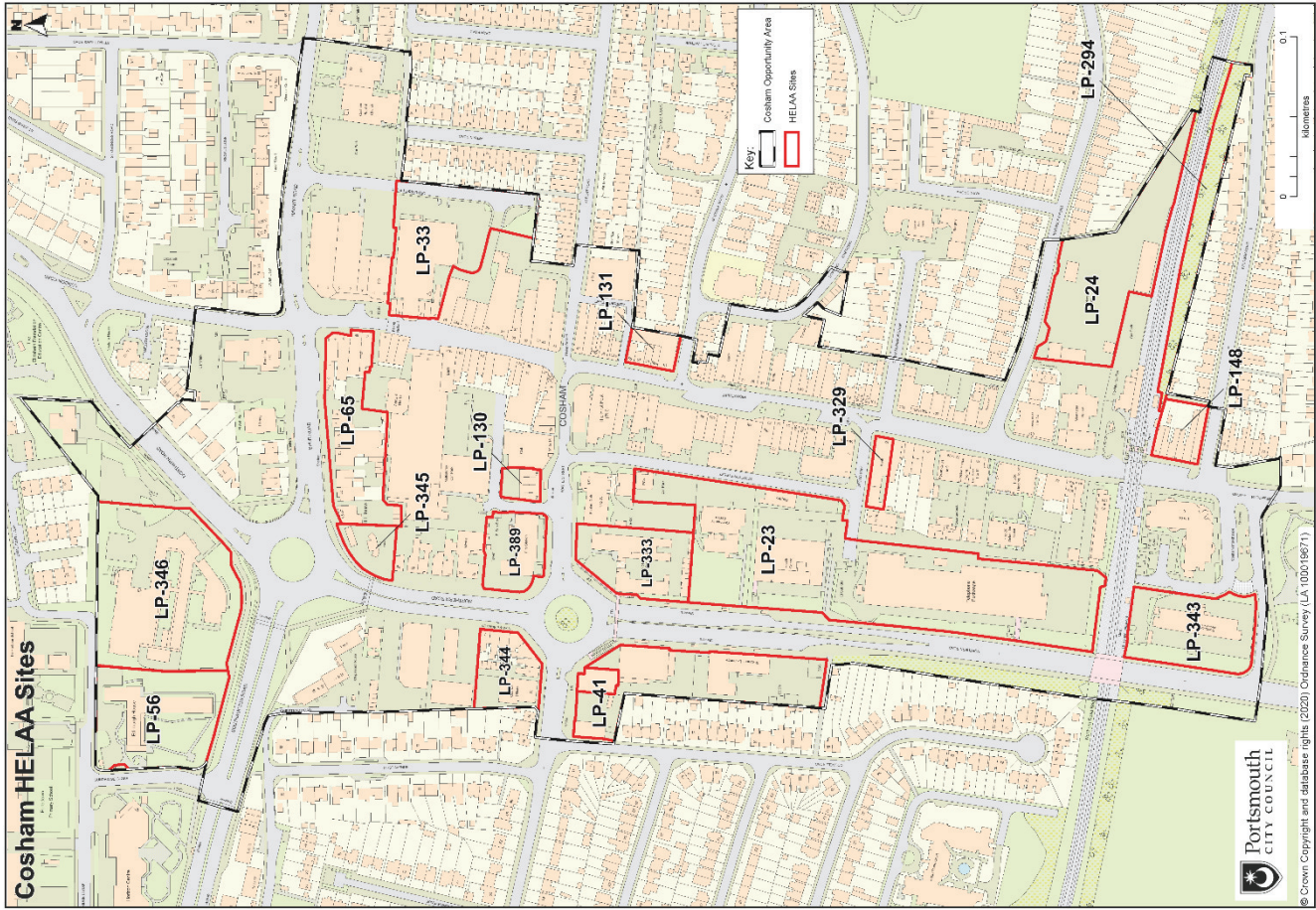
Council's, if they are unable to meet their assessed housing need (Target), are instructed to work with adjacent authorities under the Duty to Cooperate to identified if any need can be met outside the authority area.

It is intended that 1,000 dwellings being can be taken between Fareham Borough Council and Havant Borough Council and this reduces the anticipated shortfall. The City Council is working within the Partnership for South Hampshire to come to agreement on how this additional unmet need can be accommodated. This is being done through an updated statement of Common Ground and supporting, proposed Strategic Development Opportunity Area work.

Strategic Sites changes

- Cosham
- City Centre
- Tipner

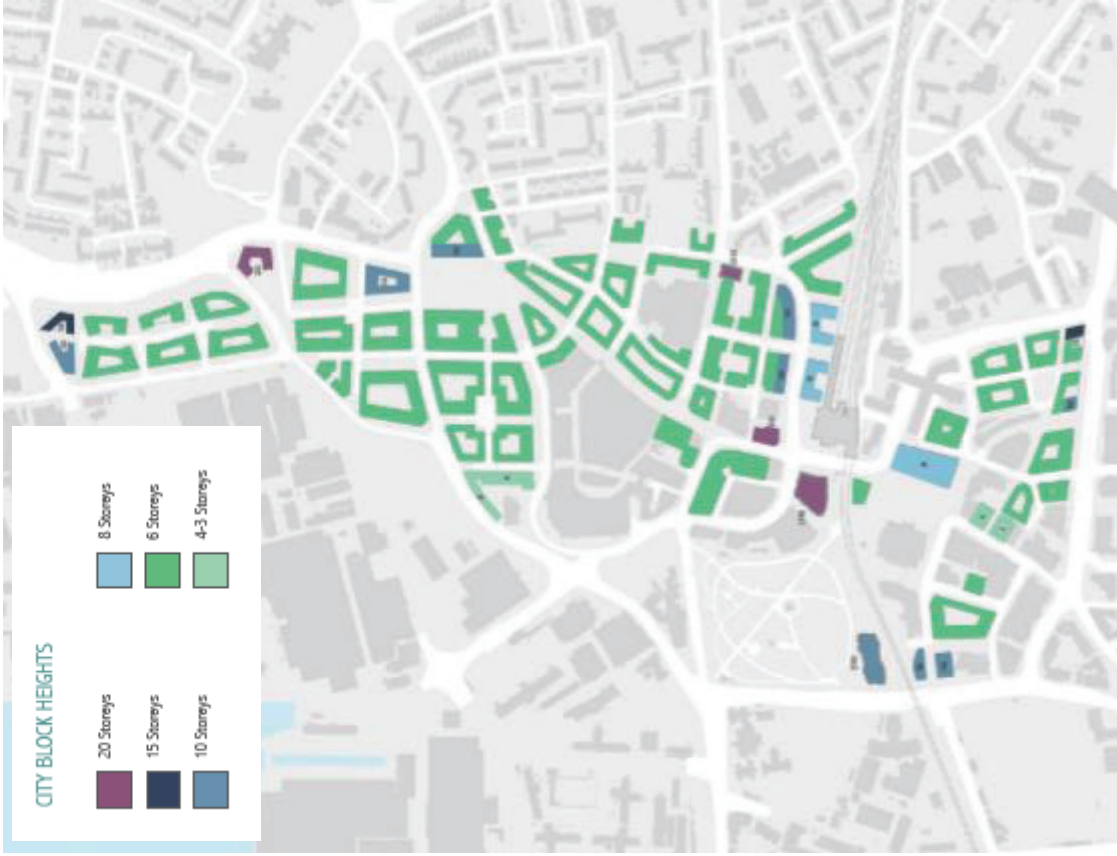
Cosham Opportunity Area



Cosham

Site No	Site Name	No. of dwellings (reg 18)	Revised number (lower)	Revised number (Higher)	Reason for Amended delivery
23	East of Northern Road	200	90	165	Pre-application Discussions (reduced site area, excludes Telephone Exchange)
24	Jewsons, Knowsley Road	80	0	0	No engagement from land owner
33	Cosham Bingo Hall	60	0	0	No engagement from land owner
41	Northern Road and Medina Road	120	50	92	Review of realistic scale of development (120-220dph range) (landowner confirmation)
56	Edinburgh House	50	50	50	No change
65	Corner of Spur Road and Northern Road	0	0	0	No change
130	18 -24 Wayte Street	6	6	6	No change
131	56 - 61 The High Street	0	0	0	No change
148	1-11 Portsmouth Road	6	6	6	No change
294	Rear of Windsor Road	0	0	0	No change
327	Cosham Delivery Office	0	0	0	No change
329	62 High Street, Cosham	0	0	0	No change
333	Cosham Police Station	50	34	62	Review of realistic scale of development (120-220dph range)
343	Roebuck House	50	55	55	Pre-application discussions
344	Corner of Northern Road and Medina Road	40	18	33	Pre-application discussions (Only Medina House confirmed as available, reduced site area)
345	Clockhouse Centre	17	17	17	No change
346	PCMI	0	0	0	No change
389	Cosham Fire Station	60	0	0	Pre-application discussions
TBC	34 -36 the High Street	0	8	8	Addition 2021 (Application)
TBC	77-79 the High Street	0	8	8	Addition 2021 (Application)
	Total	739	366	546	

City Centre Regeneration



City Centre Regeneration

Lower estimate: greater proportion of larger dwellings “family homes”, more human scale architecture (predominant 6 storeys) and 0.5 parking spaces per dwelling

Upper estimate: larger number of smaller units, skewed towards 1-2 bed apartments and a smaller proportion of ‘family’ sized housing, more taller buildings and zero parking provision

ILLUSTRATIVE HOUSING MIX

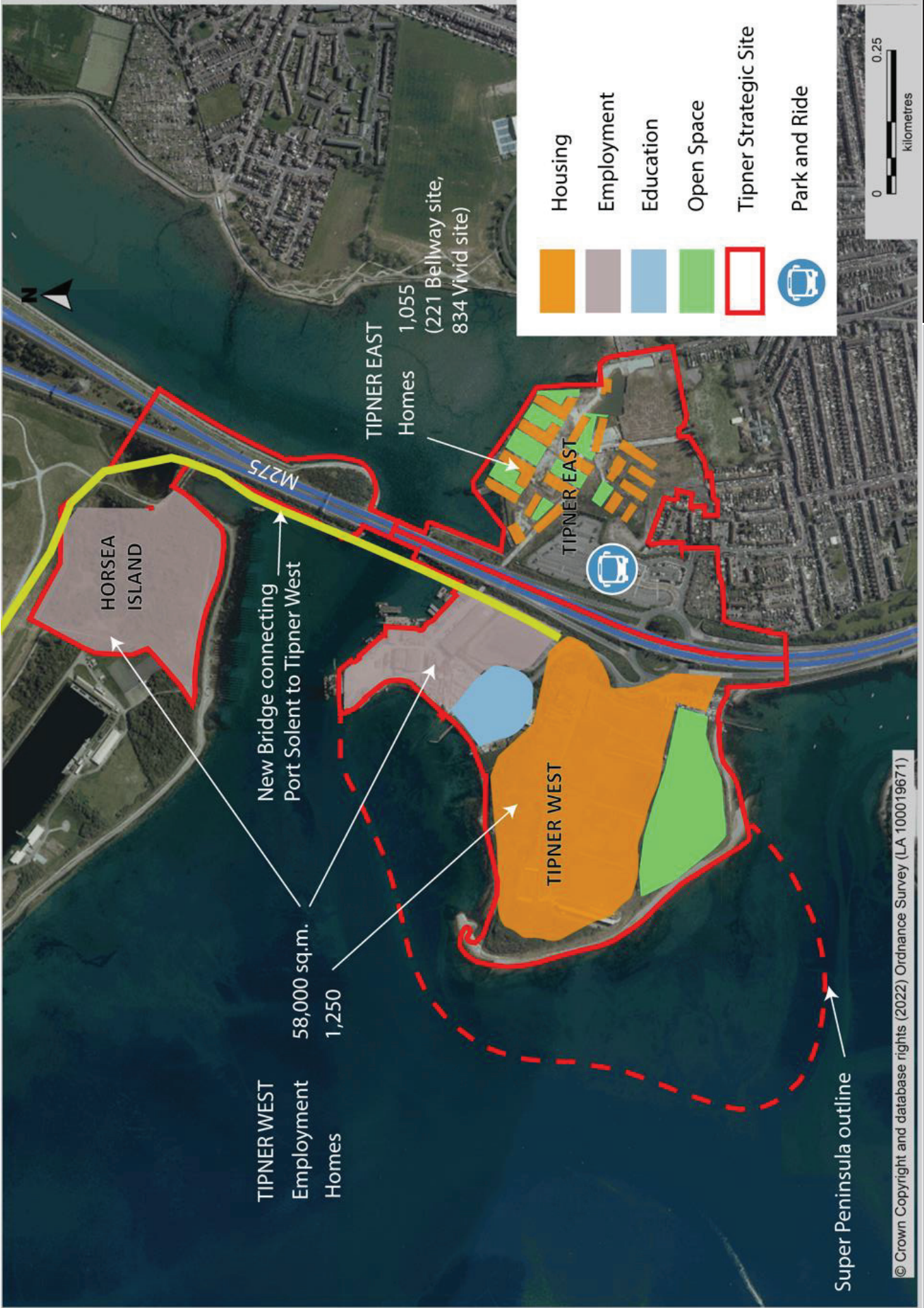
HOUSE TYPE	NET AREA OF HOUSE TYPE	% of MIX	AREA (GIA sqm)	NUMBER OF NEW HOMES
4 bed 5 person	103 sqm	5%	17,100 sqm	166
3 bed 6 person	108 sqm	5%	17,100 sqm	159
3 bed 4 person	74 sqm	30%	102,900 sqm	1,388
2 bed 4 person	70 sqm	20%	68,400 sqm	978
2 bed 3 person	61 sqm	20%	68,400 sqm	1,122
1 bed 2 person	50 sqm	20%	68,400 sqm	1,369
Totals		100%	342,300 sqm	5,183

ILLUSTRATIVE HOUSING MIX

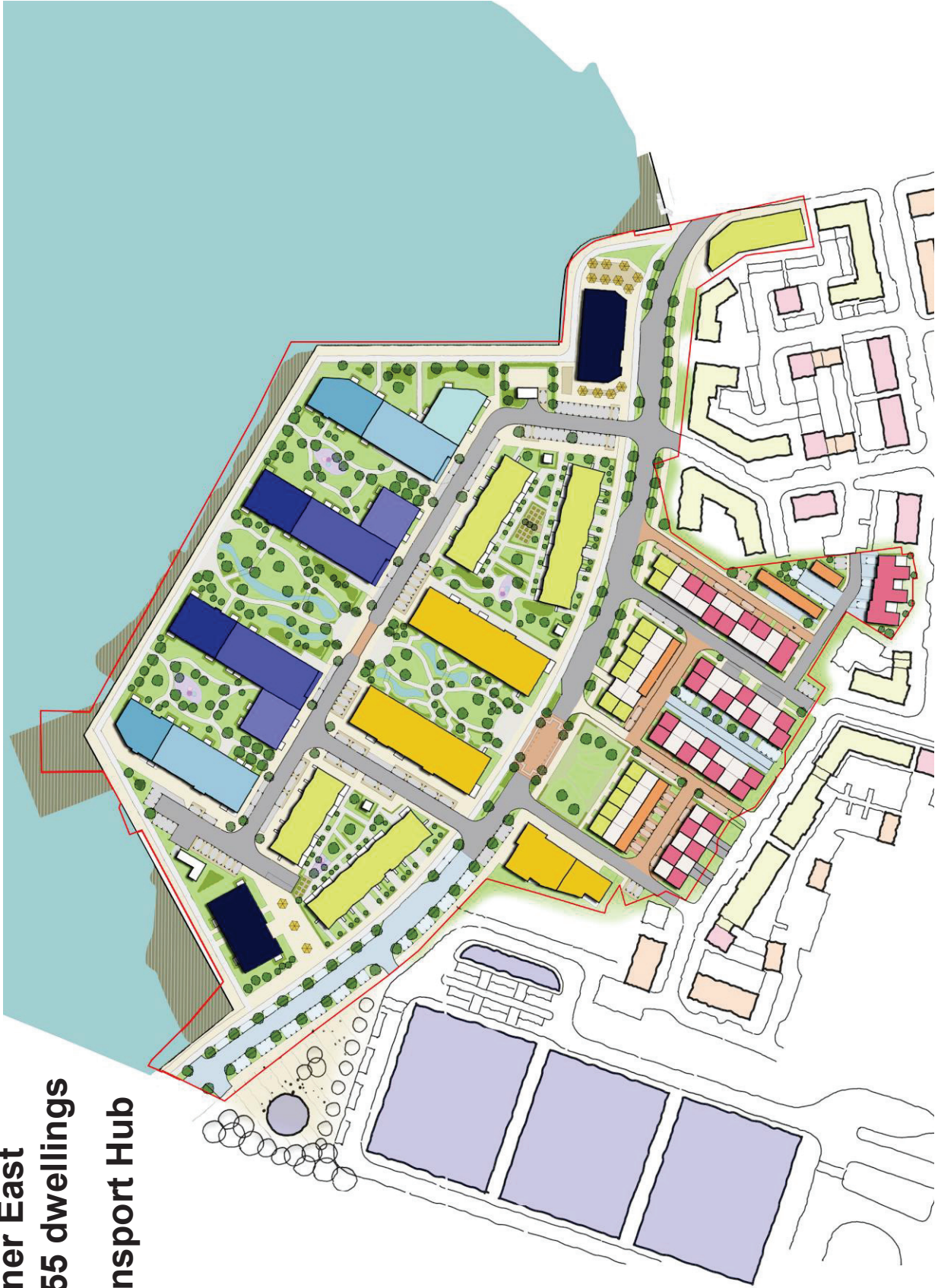
HOUSE TYPE (1 storey except *)	NET AREA	% of MIX	AREA (GIA sqm)	NUMBER OF NEW HOMES
3 bed 6 person * 3 storey	108 sqm	2%	7,330 sqm	68
3 bed 4 person	74 sqm	3%	11,000 sqm	149
2 bed 4 person	70 sqm	25%	91,600 sqm	1,309
2 bed 3 person	61 sqm	40%	146,600 sqm	2,403
1 bed 2 person	50 sqm	30%	110,000 sqm	2,199
Totals		100	366,500 sqm	6,128

Tipner

- Tipner East
- Tipner West and Horsea Island



**Tipner East
1,055 dwellings
Transport Hub**



3. Mitigate indirect impacts to the protected areas, including the loss of the firing range



3

Mitigate indirect impacts to the protected areas.

The 'Firing Range' is an area of primary supporting habitat for Solent Waders and Brent Geese. It can be developed but the loss, an **indirect** impact, would require mitigation elsewhere

Part of the existing land mass forms part of the designated Natura 2000 site and is **directly** protected for ecological value

Flood defence examples

Quay Walls £16,300/m



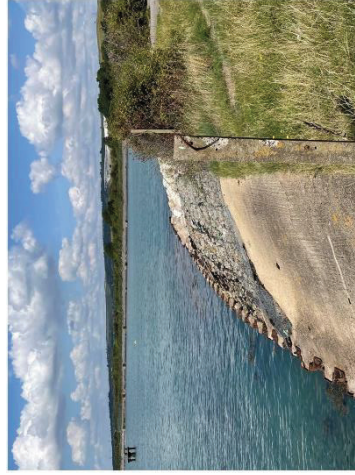
Rock Core Bund £6,500/m



Soft Edge £3,800/m

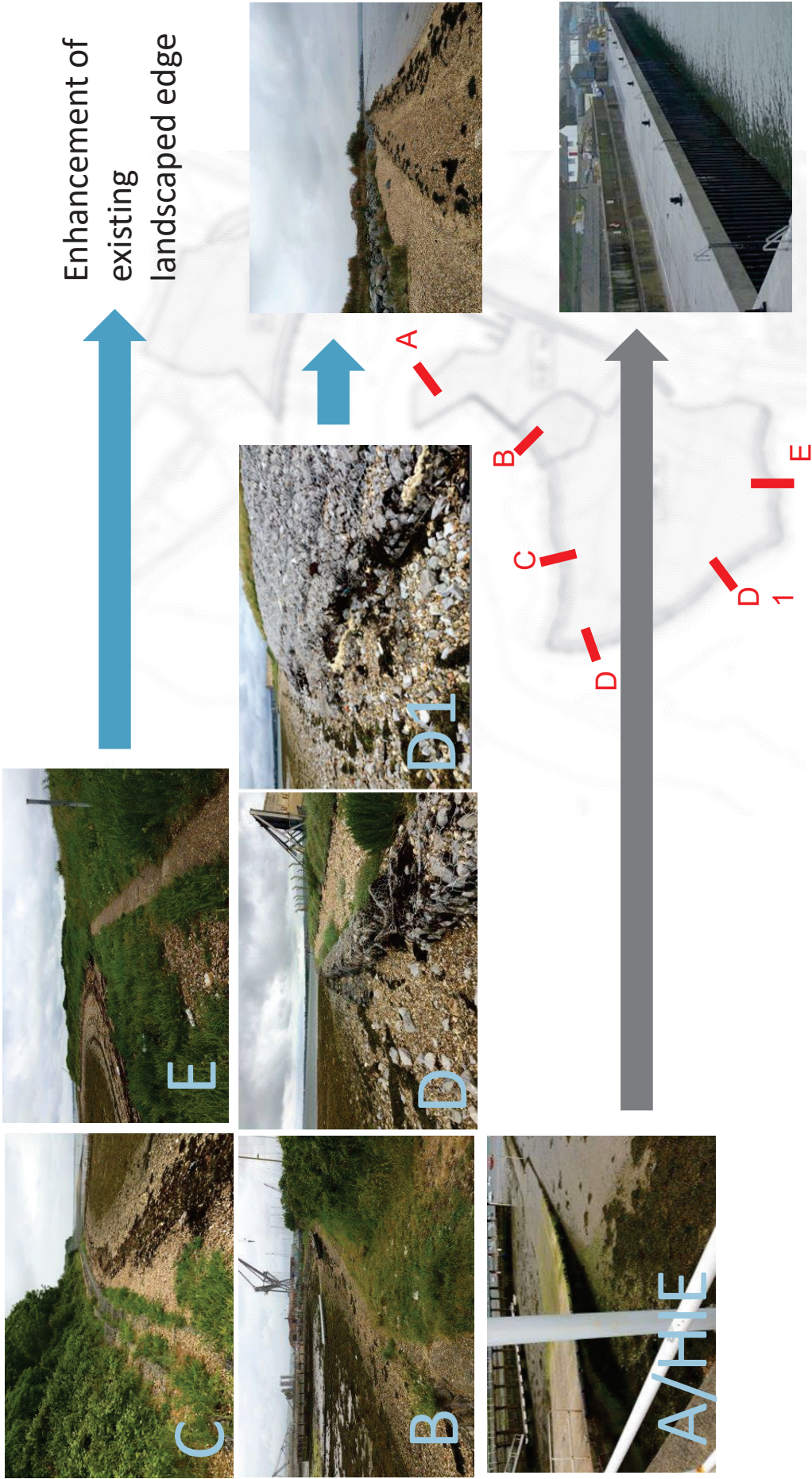


Hard Edge £4,500/m



Please note these costs (October 2021) are uninflated, indicative costs

**EXAMPLE
IMAGERY**

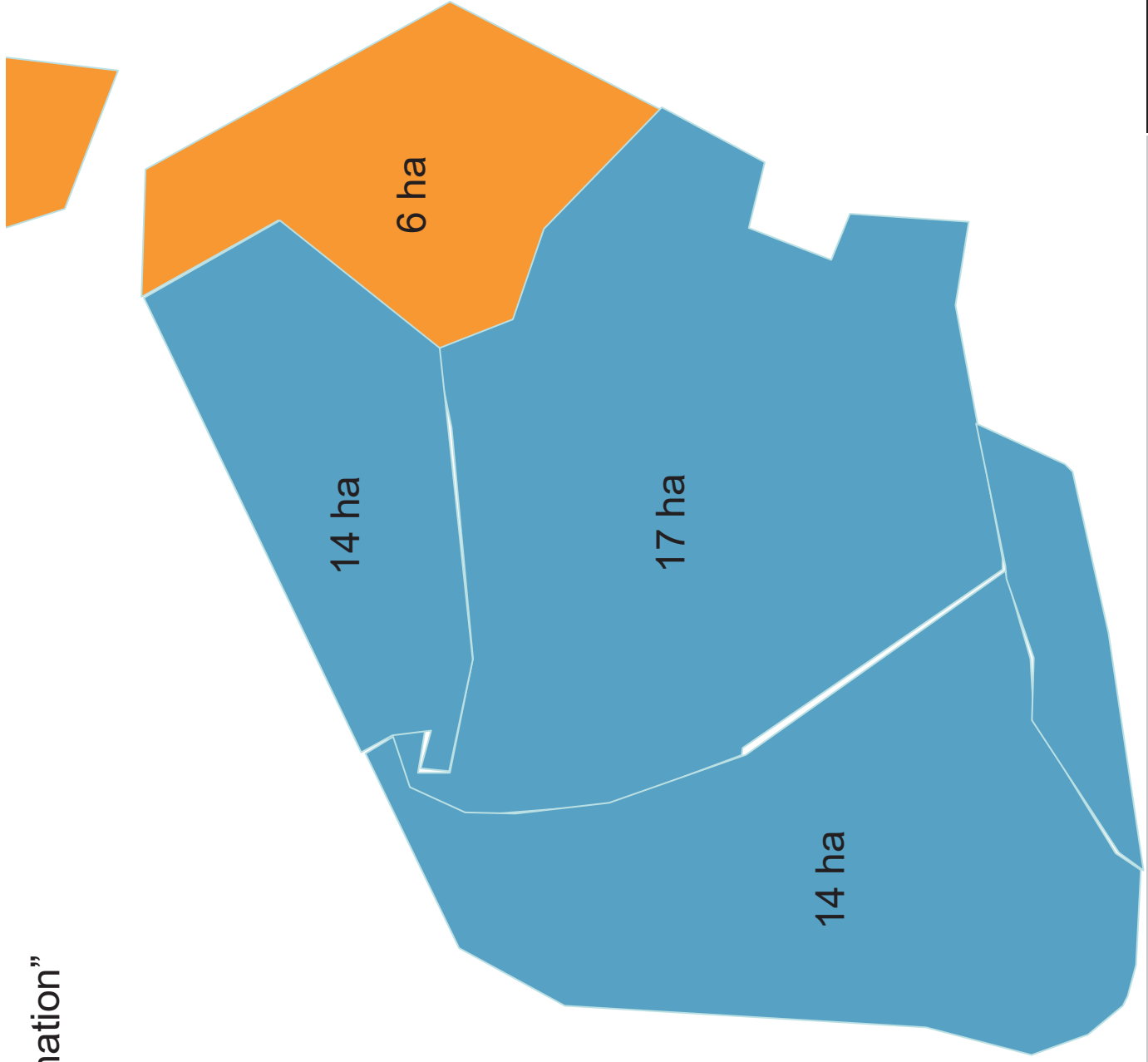


Enhancement of existing landscaped edge

"Do Nothing"

IDP Costs for Do nothing (Flood Defence for hold the line)	-£32,100,000
Abortive Costs for abandoning Significant land reclamation	-£3,600,000
Additional abortive costs if City Deal is not pursued	-£17,100,000
Do Nothing Cost	-£52,800,000

“Land Reclamation”



Medium Land Reclamation

IDP Costs for MLR (inc Bridge, flood defence and compensatory habitat)	-£347,000,000
Borrowing Costs	-£32,000,000
Abortive Costs	£0
Residential Sale Revenue (inc 30% affordable)	£203,500,000
Employment and Other Sale Revenue	£45,500,000
City Deal Grant Revenue	£53,648,000
Anticipated further Grant Revenue (@ £15k per dwelling)	£30,000,000
MLR cost	-£46,000,000

Medium Land Reclamation delivers 2,000 new homes and 9.5ha / 58,000sqm of employment and opportunities for on site infrastructure

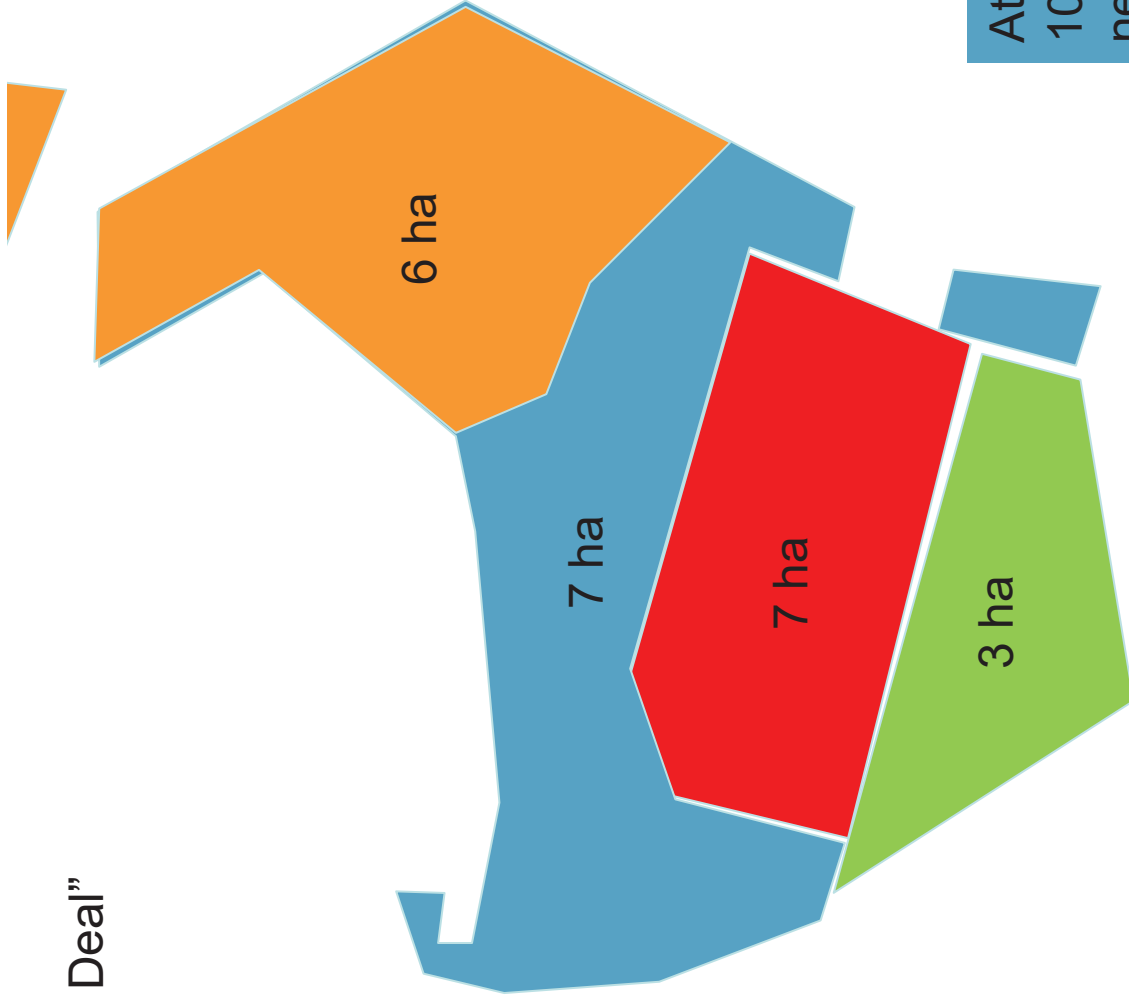
Significant Land Reclamation

IDP Costs for SLR (inc Bridge, flood defence and compensatory habitat)	-£604,000,000
Borrowing Costs	-£57,000,000
Abortive Costs	£0
Residential Sale Revenue (inc 30% affordable)	£400,000,000
Employment and Other Sale Revenue	£50,000,000
City Deal Grant Revenue	£53,648,000
Anticipated further Grant Revenue (@ £30k per dwelling)	£105,000,000
SLR cost	-£53,000,000

Significant Land Reclamation delivers 3,500 new homes and 9.5ha / 58,000sqm of employment and significant on site infrastructure

With significant place making opportunity this option provides the greatest likelihood of attracting additional external funding

“City Deal”



Around 6ha of developable land would be needed to support employment on the site in addition to further employment land on Horsea Island East accessed by a new bridge.

At Local Plan target 120dph 10.4ha of developable land is needed to delivery 1,250 homes

City Deal

IDP Costs for City Deal (inc Bridge, flood defence and compensatory habitat)	-£235,500,000
Borrowing Costs	-£15,000,000
Abortive Costs for abandoning Significant land reclamation	-£3,600,000
Residential Sale Revenue (inc 30% affordable)	£102,000,000
Employment and Other Sale Revenue	£21,500,000
City Deal Grant Revenue	£53,648,000
Anticipated further Grant Revenue (@ £15k per dwelling)	£18,750,000
CITY DEAL cost	-£58,000,000

City Deal delivers 1,250 new homes and 9.5ha / 58,000sqm of employment

Tipner West and Horsea Island East Options

	Dwellings	Employment	Funding gap including abortive (revenue costs)	Net Funding Gap per Units
'Do Nothing'	0 (0 Affordable)	n/a	£52,800,000	n/a
Significant Land Reclamation	3,500 (1,050 Affordable)	58,000 sqm	£53,000,000	£15,000 per dwelling
Medium Land Reclamation	2,000 (600 Affordable)	58,000 sqm	£46,000,000	£23,000 per dwelling
City Deal	1,250 (375 Affordable)	58,000 sqm	£58,000,000	£44,000 per dwelling

PART 2

FINANCIAL COMMENTRY

Chris Ward
Director of Finance & Resources

Summary Financial Position

Tipner West Scheme Options	Do Nothing	City Deal (1,250 units)*	Moderate Land Reclamation (2,000 units)*	Lennox Point / Significant Land Reclamation (3,503 units)**
	£m's	£m's	£m's	£m's

Current Financial Position

Cost of Infrastructure	£53	£235	£347	£604
Borrowing Costs		£15	£32	£57
Gross Development Cost	£53	£251	£378	£661
Revenue Income		(£124)	(£249)	(£449)
City Deal Grant		(£54)	(£54)	(£54)
Gross Development Revenue		(£177)	(£303)	(£503)
Net Development Cost (Funding Gap)	£53	£74	£76	£158
Funding Gap per Unit £'s	Not Applicable	£59,000	£38,000	£45,000

Potential Further Funding

Potential Homes England Funding		(£19)	(£30)	(£105)
Estimated Residual Funding Gap	£53	£55	£46	£53

Key Issues

- ❖ Scale of the Estimated Funding Gap – Affordability for PCC
- ❖ Implications of PCC meeting the Funding Gap
- ❖ Likelihood of the Funding Gap being met from further External Funding
- ❖ Abortive costs and the impact on the current year's Budget

Estimated Funding Gap - Affordability

- ❖ All options result in a substantial Funding Gap
- ❖ The Funding Gap ranges between £46m to £55m
- ❖ Bridging the Funding Gap will require £4m to £5m for the next 10 to 15 years

Implications of PCC Meeting the Funding Gap

- ❖ Annual Corporate Capital Funding (after passporting) is circa. £3.6m per year
- ❖ £4m to £5m (for Tipner West) + Critical/Essential Annual Capital Investment ≠ £3.6m
- ❖ Annual Revenue Budget Contributions (i.e. Savings) are inevitable
- ❖ The extent of savings depends on the extent of the compromise to the New Capital Investment (see recent examples on the next slide)

Estimated Funding Gap - Affordability

❖ Examples of some of Capital Investment from Corporate

Capital Funding:

- Additional Special School places
- Land assembly (City Centre Regeneration)
- New Leisure and Community Centre
- Maintenance of Council operational buildings
- Transport infrastructure
- Maintenance of Heritage Assets
- Greening the City
- Food Waste Collection Fleet
- Football facilities
- Replacement of Care Management System
- Sea Defences – Enhancements
- Digital Infrastructure

Likely Financial Burden

Tipner West Scheme Options	Do Nothing	City Deal (1,250 units)*	Moderate Land Reclamation (2,000 units)*	Lennox Point / Significant Land Reclamation (3,503 units)**
	£m's	£m's	£m's	£m's
Estimated Residual Funding Gap	£53	£55	£46	£53

Net Funding Gap per Unit £'s	Not Applicable	£44,000	£23,000	£15,000
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Likelihood of External Funding to Bridge Residual Funding Gap	Very Unlikely	Unlikely	More Likely	Most Likely

- ❖ Do Nothing – Abortive Costs £21m + £4m to £5m for 10 to 15 years
- ❖ City Deal – Abortive Costs up to £3.6m + £4m to £5m for 10 to 15 years
- ❖ MLR – Abortive Costs ? But less than £3.6m + lower burden than £4m to £5m for 10 to 15 years
- ❖ SLR – No Abortive Costs + lowest burden in future years

Note:

- Abortive Costs are any costs not "directly attributed to bringing a particular asset to the location and condition necessary for it to be capable of operating in the manner intended"
- Have to be written off (subsumed) to the Revenue Budget in the year

PART 3

DENSITY ILLUSTRATIONS

Cosham Examples to Visualise: Density Scale & Height

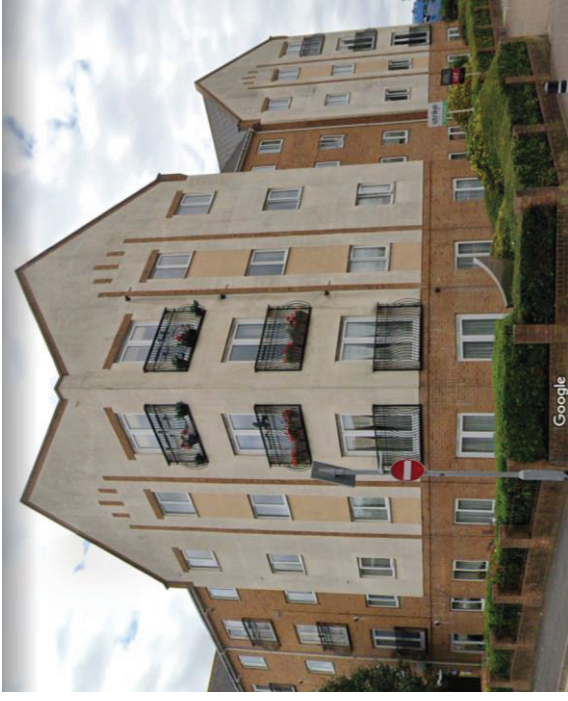
Peelers Gate

0.197 ha

35 units

4 storeys

177dph



6 Portsmouth Road

0.323 ha

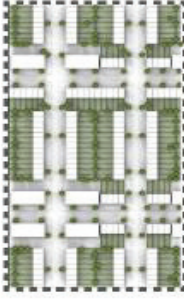
84 units (plus retail unit)

8 storeys (one retail)

260dph



60 dwellings per hectare



Study Area (ha) : 4.00

Parcelled units	
No. of Units	243
Average no. of Floors	2.5
Average unit size based on assumed mix below	957sq

Parking requirements - good accessibility assumed			
mix	unit type	max. parking standard	no. of spaces
15%	1bed flat (40-50sqm)	0.5	18
15%	2bed flat (61-70sqm)	1.0	36
0%	3bed flat (74-95sqm)	1.5	0
10%	2bed house (70-75sqm)	1.0	0
40%	3bed house (84-100sqm)	1.0	122
20%	4bed house (97-124sqm)	2.0	97
	Total		273
	visitors (per policy req.)	0.25	60

Assumptions:
Density has been calculated based on an assumed 30% permeable area.

* Note: Model to be used for illustrative purposes only. Subject to further detailed and technical studies.

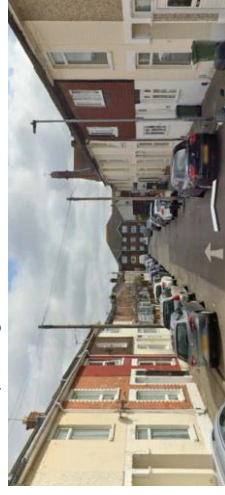


- 3rd floor
- 2nd floor
- 1st floor

Area Characteristics:	
Typology	Terraced Housing/ Apartments
Street Typology	Secondary/ Tertiary
Car Parking	Integral / On Street/ Rear Communal Surface Parking
Amenity/ Private Open Space	Rear Garden/ Balcony & Secure Access to Communal Garden
Cycle Parking	Rear Garden - Secure and Covered/ Communal Built Site
Bin Store	Rear Garden - Built and Covered/ Communal Built and Covered
Typology	Covered



Somerstown, Winston Churchill Avenue – 3 storey housing.



Jervis Road, Stamshaw – 3 storey housing and apartments.

Generally 3 storeys. On-site parking at ~1 space /dwelling.

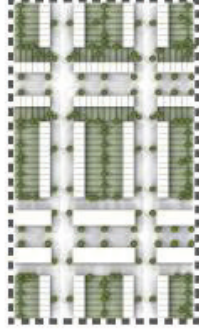
Mix of terraced housing and apartments (70-30 split)

80-100 dwellings per hectare



- 3rd floor
- 2nd floor
- 1st floor

Area Characteristics:	
Typology	Terrace Housing/Apartments
Street Typology	Secondary/Tertiary
Car Parking	Integral / On Street/ Rear/ Communal Surface Parking
Amenity/ Private Open Space	Rear Garden/ Balcony & Secure Access to Communal Garden
Cycle Parking	Rear Garden - Secure and Covered/ Communal BUI
Bin Store	Store
Typology	Rear Garden - Built and Covered/ Communal BUI and Covered



Study Area (ha) : 4.00

Residential units	
No. of Units	324
Average no. of Floors	2.5
Average unit size based on assumed mix below	78m ²

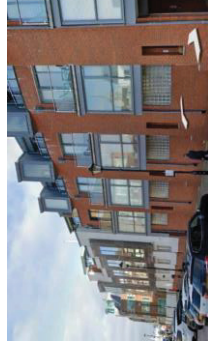
Parking requirements - good accessibility assumed			
mix	unit type	max. parking standard	no. of spaces
20%	1 bed flat (40-50m ²)	0.5	132
30%	2 bed flat (61-70m ²)	1.0	97
0%	3 bed flat (74-85m ²)	1.5	0
35%	2 bed house (76-78m ²)	1.0	0
15%	3 bed house (97-124m ²)	2.0	97
	Total		340
	visitors (no policy req.)	0.25	85

Assumptions:
Density has been calculated based on an assumed 80% disableable area.

* Note: Models to be used for illustrative purposes only.



Somerstown, Winston Churchill Ave

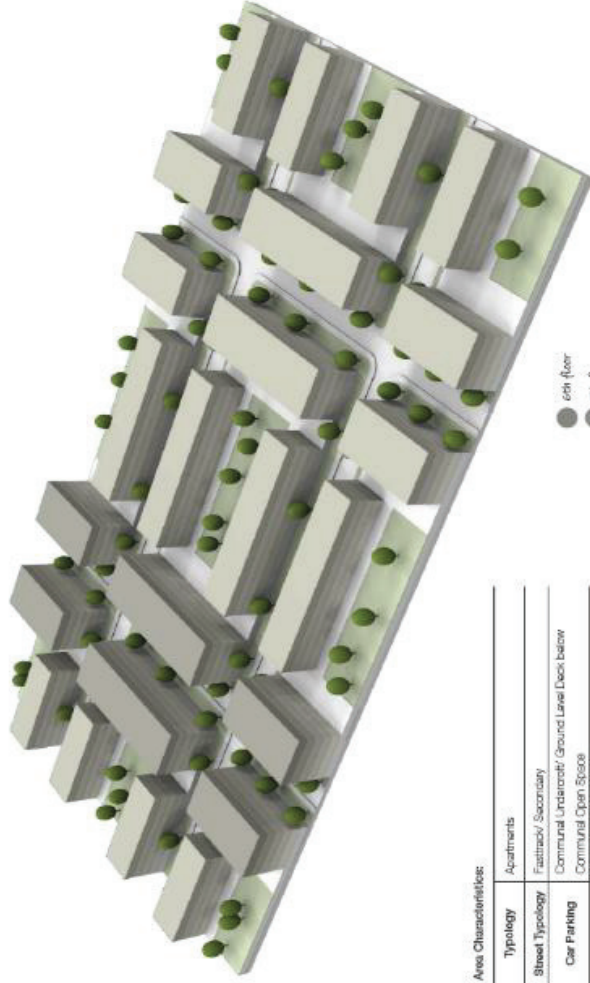


Spinnaker Quay - 3 storey housing/ flats

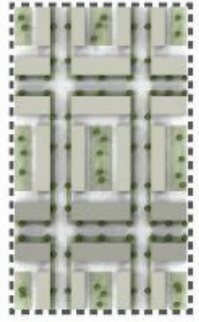
Generally 3 storeys, occasional use of 4 storeys. On-site parking at ~1 space /dwelling.

Mix of terraced housing and apartments (50-50 split)

180-200 dwellings



Area Characteristics:	
Typology	Apartments
Street Typology	Footpath/ Secondary
Car Parking	Communal Undercroft/ Ground Level Deck below
Amenity/ Private Open Space	Communal Open Space Balcony & Secure Access to Communal Garden
Cycle Parking	Communal Bunk Secure Store
Bin Store Typology	Communal Built and Covered



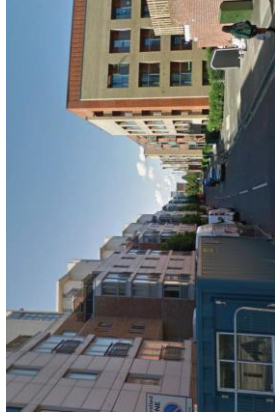
Study Area (sq): 4,000

Residential units	
No. of Units	972
Average no. of Floors	5.5
Average unit size based on assumed mix below	80m ²

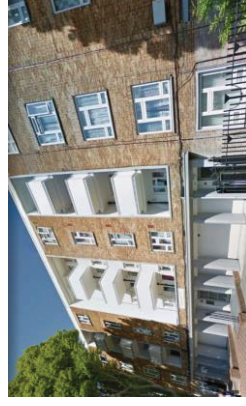
Parking requirements - good accessibility assumed			
mix	unit type	max. parking standard	no. of spaces
40%	1bed flat (48-50m ²)	0.5	194
50%	2bed flat (61-70m ²)	1.0	488
10%	3bed flat (71-95m ²)	1.5	148
0%	2bed house (70-79m ²)	1.0	0
0%	3bed house (84-102m ²)	1.0	0
0%	4bed house (97-124m ²)	2.0	0
	Total		828
	visitors (no policy req.)	0.25	207

Assumptions:
Density has been calculated based on an assumed 80% developable area.

* Note: Model to be used for illustrative purposes only. Subject to further detailed and technical studies.



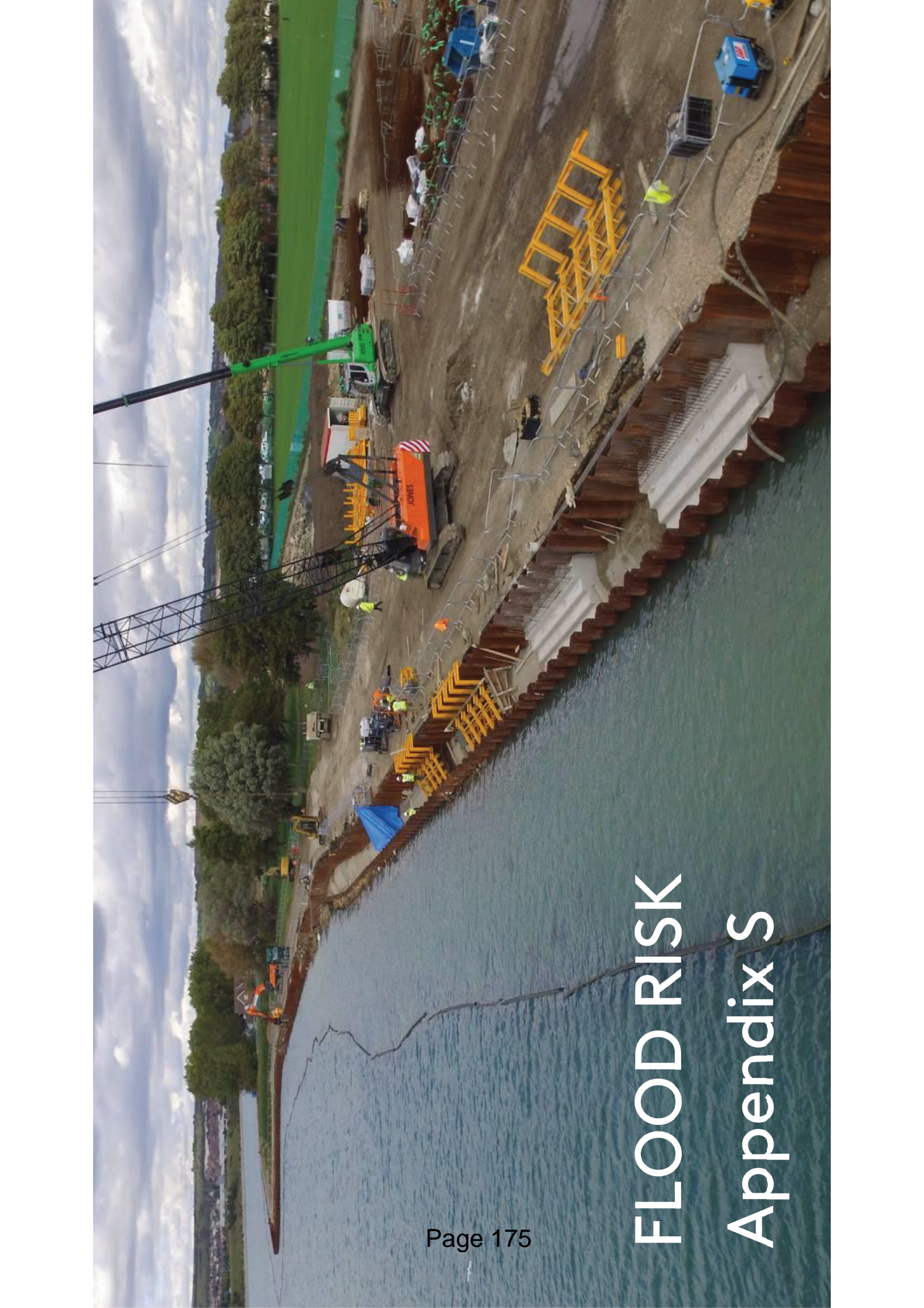
Cross Street, Portsmouth- 4-5 storey apartments



Grosvenor St., Somerstown 5 storey apartments

Generally 4-6 storeys. On-site parking at ~1 space /dwelling.

100% apartments.



FLOOD RISK Appendix S

What does 'hold the line' mean?

'Hold the Line' is one of the four policies that are used in the Shoreline Management Plan. It's only chosen if it's economically, socially and environmentally the best one to do for Portsmouth. The other three policies, Advance the Line, Managed Realignment, and No Active Intervention, are currently not viable.

For Portsmouth 'hold the line' is the only choice.

<https://southseacoastalscheme.org.uk/resources/hold-the-line-shoreline-management-plans/>

<https://southseacoastalscheme.org.uk/wp-content/uploads/2018/04/5.-Hold-the-Line-Policy.pdf>



The risk

The climate crisis and rising sea levels are expected to see Tipner West flood unless defended. Furthermore, protected habitats such as the intertidal mudflats and coastal meadow will reduce as a result of sea level rises with 40% of Portsmouth's Intertidal Habitats likely to be lost by 2120.

In addition, without intervention flooding at Tipner West could spread through to Tipner East and Stamshaw. The Council has a mandate to hold the line from rising sea levels. As there are no homes currently on the Tipner West site sea defences cannot be funded by the Environment Agency and must therefore be funded by the Council.

Portsmouth's sea-levels are due to rise by around 70cm over the next 70 years.

The existing coastal defences at Tipner West are in poor condition. The 2011 Portsea Island Coastal Strategy Study estimated that defences on Horsea Island East may fail within 5-10 years, and within 10-15 years on Tipner West. Due to lack of maintenance over recent years, there is an increasingly high risk that these defences could fail sooner.

As there are no homes on the Tipner West site it is extremely unlikely that flood defences would be funded by the Environment Agency and must therefore be funded by the Council.

<https://coastalpartners.org.uk/static/media/resources/2011-04-14-portsea-star2-11-final-revc-blanked-sigs.pdf>

2023 Extreme Sea Level (0.5% Annual Exceedance Probability) – Pre-Development Scenario and Tipner Lake Sea Defence Scheme

An extreme flood (e.g. 1 in 200yr return period can happen anytime – next week, next month, next year, or in 200 years. It happens on average (over an infinite time period) once every 200 years but there is no reason why that might not be two or more times next year.



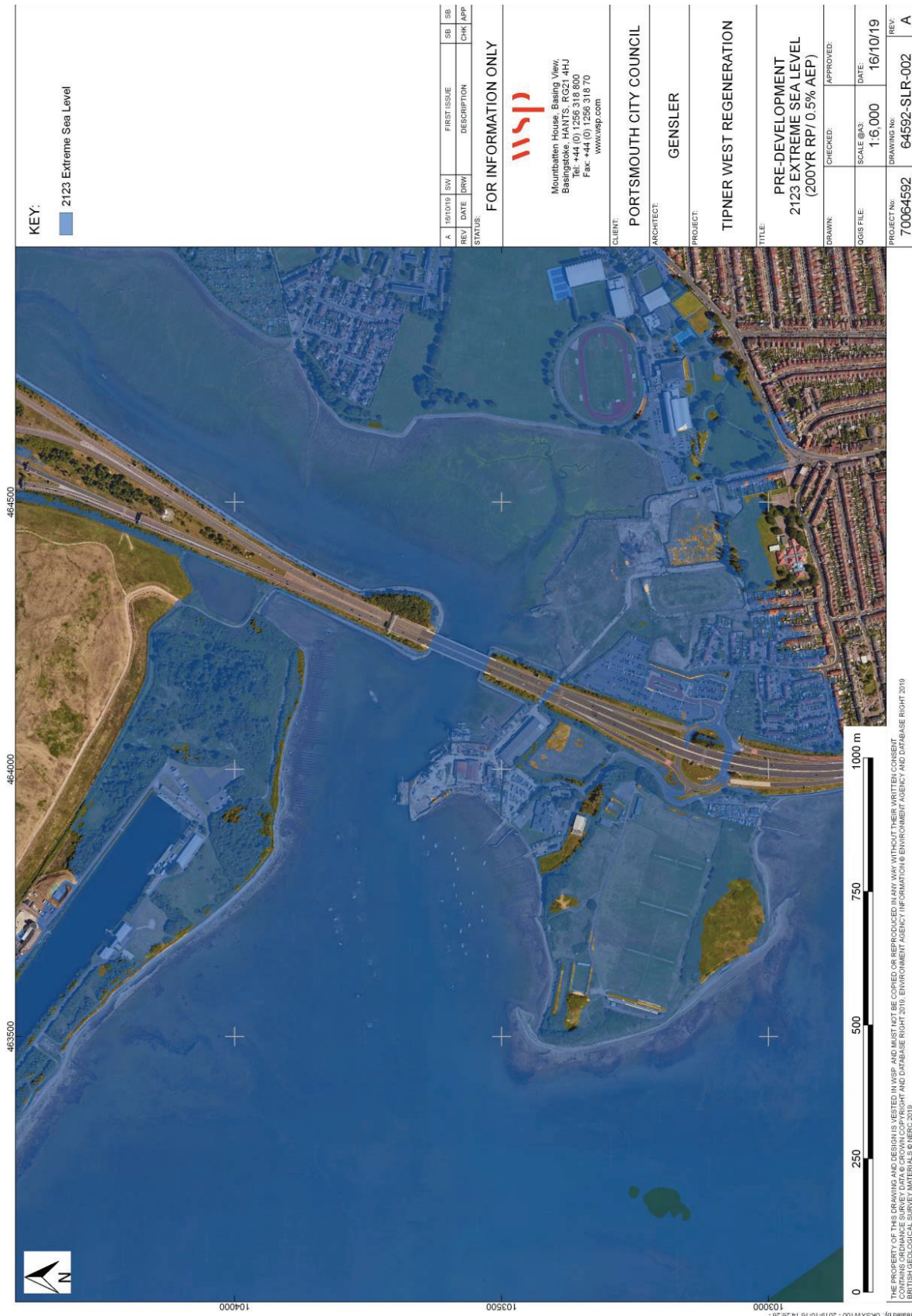
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Does not account for completed flood defence work in North Portsea

2123 Extreme Sea Level (0.5% Annual Exceedance Probability) – Pre-Development Scenario and Tipner Lake Sea and Tipner Lake Sea Defence Scheme

An extreme flood (e.g. 1 in 200yr return period can happen anytime – next week, next month, next year, or in 200 years. It happens on average (over an infinite time period) once every 200 years but there is no reason why that might not be two or more times next year.



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Does not account for completed flood defence work in North Portsea

KEY:
 ■ 2123 Extreme Sea Level

A	REV	DATE	SW	DRW	FIRST ISSUE	DESCRIPTION	SB	CHK	APP

STATUS: FOR INFORMATION ONLY



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CLIENT:

PORTSMOUTH CITY COUNCIL

ARCHITECT:

GENSLER

PROJECT:

TIPNER WEST REGENERATION

TITLE:

PRE-DEVELOPMENT
 2123 EXTREME SEA LEVEL
 (200YR RP/0.5% AEP)

DRAWN: CHECKED: APPROVED:

SCALE @A3: 1:6,000

DATE: 16/10/19

DRAWING No: 64592-SLR-002

REV: A



In the 'do-nothing' case for Tipner West, the existing defences are at the end of their life, will fail soon and coastal erosion will take place which will lead to contaminants being released into the harbour which is designated and PCC may therefore be liable under laws to protect the designated site. This will also result in the loss of the existing land uses on the site, including the Harbour School. Across Portsmouth Harbour it is anticipated that the protected intertidal habitats are likely to see a 40% reduction by 2120 as a result of sea level rises.

- **Sea levels are rising and habitats will be affected as they are not protected as this work is unfunded**
- **doing nothing to the existing land mass is, at best, a short-term position as flood defences will be required at significant cost**
- **installing flood defences will result in environmental damage**
- **without sea defences there would be a contamination risk to the harbour**

The Lennox Point masterplan has been developed with input from Flood Risk and Coastal Engineers. To mitigate flood risk, coastal defences are proposed around the perimeter of the development, with a minimum crest height of +4.5mAOD to take into account anticipated sea level rise to +4.44mAOD (1 in 200 year Return Period) in 2123 (over an assumed development lifespan of 100 years from 2023). Furthermore, it is proposed to raise all land to +4.5mAOD

Coastal Partners- North Portsea Island Information

NPI Overview - <https://coastalpartners.org.uk/project/protecting-the-future-of-north-portsea-island/>

NPI Phase 1 Anchorage Park - <https://coastalpartners.org.uk/project/north-portsea-island-anchorage-park>

NPI Phase 2 Milton Common - <https://coastalpartners.org.uk/project/north-portsea-island-milton-common>

NPI Phase 3 Tipner Lake - <https://coastalpartners.org.uk/project/north-portsea-island-tipner-lake>

NPI Phase 4 – Eastern Road - <https://coastalpartners.org.uk/project/north-portsea-island-eastern-road/>

Southsea Coastal Scheme - <https://southseacoastalscheme.org.uk/>

All the schemes in Portsmouth are delivery outputs of the Portsea Island Coastal Strategy adopted by PCC and the Environment Agency in 2010. This document <https://coastalpartners.org.uk/project/portsea-island-coastal-strategy/> forms the basis of all business cases to undertake coastal work in Portsmouth. Tipner West is revered as Flood Cell 5 (extract pg 33)

Flood Cells	Other Comments	Typical Photos of the Existing Defences
	<p>Although there are few properties at risk of flooding, works are required to protect against leaching of contaminants from Tipner Landfill site. Tipner is a key development area identified within the Portsmouth City Local Plan and emerging Portsmouth Plan)</p>	

Costs

Please note these costs (October 2021) are uninflated, indicative costs

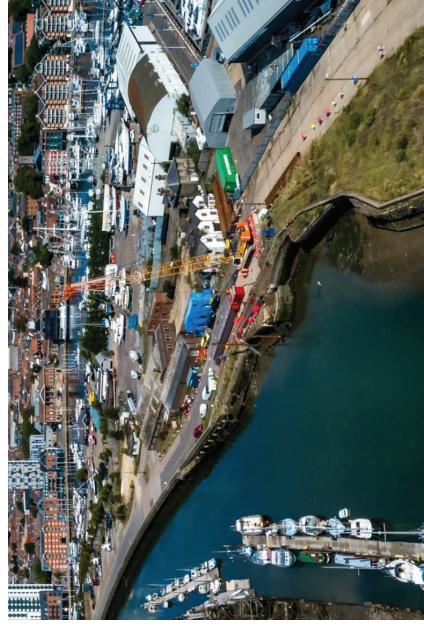
EXAMPLE IMAGERY

Please note: Flood defence costs have been explored in partnership with the costal scheme, already in construction. The exact nature and costs for sea defences at Tipner West will depend on which option is selected for the site. However flood defences are likely to cost between £4,000 and £16,500 per linear metre and are projected to be on average £7,750 per linear metre. This is in line with current flood defence work in the city. For example, flood defence work in North Portsea cost £7,800 per linear metre in 2018 (£9,700 per linear metre in 2021). Please note the costs of construction and materials continues to rise at pace which will impact the future cost of flood defence work.

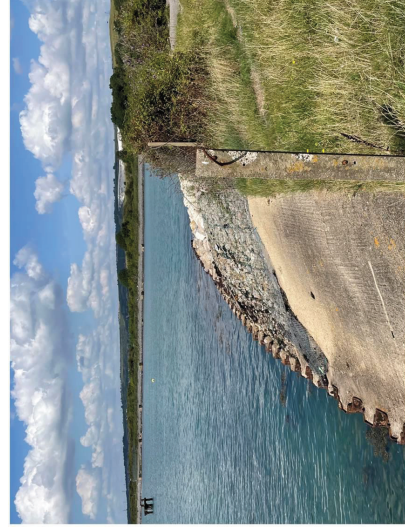
Costs assumed are as follows:



Rock Core Bund £6,500/m



Quay Walls £16,300/m



Hard Edge £4,500/m



Soft Edge £3,800/m

Development and Tidal Flood Risk Position Statement

Extracts below

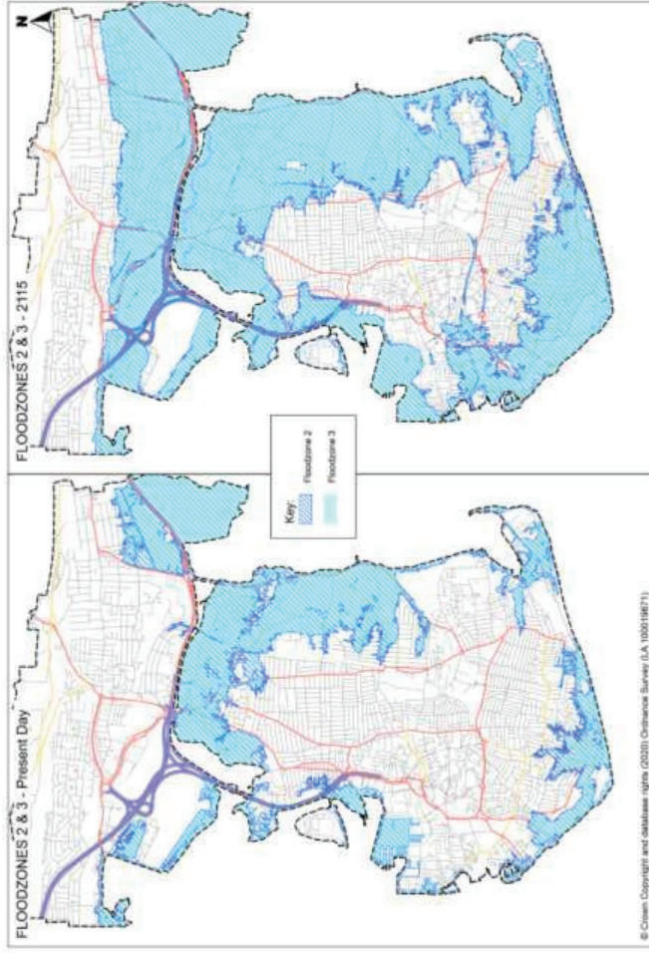
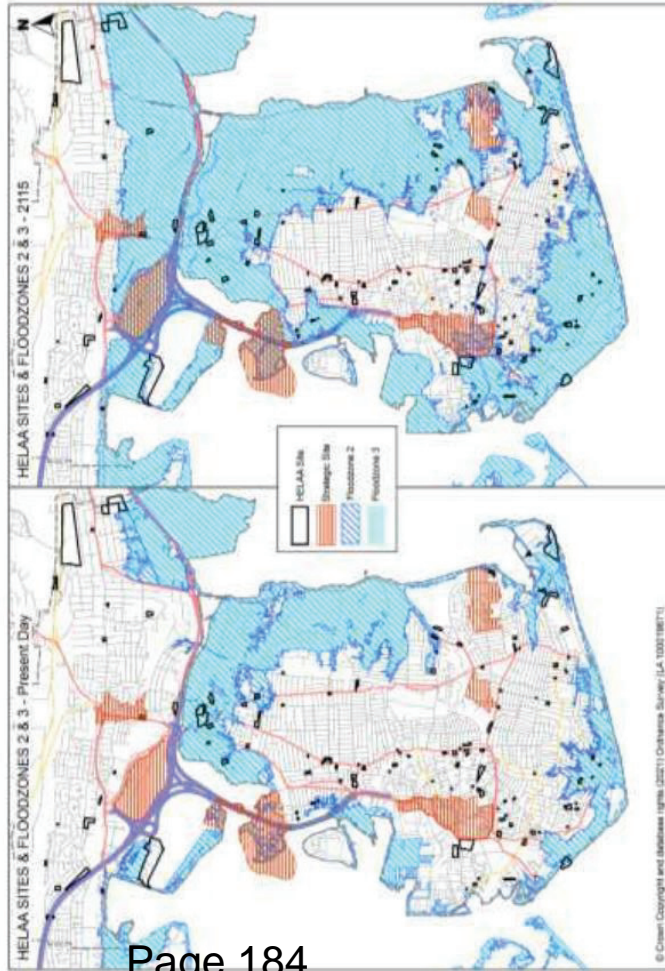


Figure 1 - EA flood zones March 2020 and predicted 2115