

<b>Title of meeting:</b>	Cabinet and Full Council
<b>Date of meeting:</b>	3 October 2023 & 17 October 2023
<b>Subject:</b>	Tipner West & Horsea Island East Regeneration
<b>Report by:</b>	Tom Southall, Assistant Director Regeneration - Property and Investment
<b>Wards affected:</b>	All
<b>Key decision:</b>	Yes
<b>Full Council decision:</b>	Yes

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## 1. Purpose of report

- 1.1. The report seeks approval of a revised set of principles to use as a strategic brief to bring forward a scheme for development on Tipner West and Horsea Island East. It includes an overarching project objective which will be used as part of the planning consent process to set out what the council aims to achieve.
- 1.2. The report provides members with information on the sifting process to shortlist future development options for Tipner West and Horsea Island East and summarises thumbnail options to be developed further.

## 2. Recommendations

- 2.1. Cabinet recommends to Full Council:
  - a) To note the content of this report.
  - b) Consider and endorse the revised principles advanced by the cross-party steering group set out in **Appendix A** as a strategic brief to bring forward a scheme for development on Tipner West and Horsea Island East.
  - c) Note the single overarching project objective in **Appendix B** that provides a high-level vision of what the Council is seeking to achieve.
  - d) Note the masterplan options sifting process and regulatory engagement that is underway to create a shortlist of viable development options.
  - e) Note the thumbnail options in **Appendix C**, which are to be worked up and sifted leading to a preferred masterplan option for the area known as Tipner West and Horsea Island East to be subsequently developed.
  - f) Notes the proposed programme for progressing the project in **Appendix D**

### 3. Reasons for Recommendations

- 3.1. Members of all parties have agreed to work together to meet the commitments of the City Deal<sup>1</sup>, between government, local businesses and leaders from Southampton, Portsmouth and Hampshire councils and the Solent Local Enterprise Partnership, as signed on 12 November 2013.
- 3.2. The programme plan is set out in **Appendix D**. The current programme plan suggests a Spring 2024 public consultation on a masterplan. Following this, a recommendation to approve the masterplan to form the basis of the planning and consent process, and the forthcoming submission of the Transport and Works Act Order (TWAO) will be put forward to Full Council in July 2024. The programme plan anticipates that we would make the planning application shortly after this full council decision.
- 3.3. Members have previously agreed to mitigate the impact of further delays to determining a scheme to promote at Tipner West and Horsea Island East noting that delay results in additional and abortive costs to the Council due to an increase in external consultancy fees and expired site surveys needing to be re-done. It is anticipated that programme will incur a minimum of £158k in additional costs for every month that it's delayed.
- 3.4. In line with previous advice to members, when the existing principles were adopted in October 2022, the report set out the significant implications for the Council's finances, if councillors are unable to agree the amended principles as proposed. Should this position arise and ultimately the project reach a point where it cannot progress then it is likely that the terms of the City Deal will not be met and the Council could face the significant financial burden of having to pay back the City Deal funds. This would be repayable in a single year (i.e. the point at which it becomes clear that a scheme that does not meet the terms and conditions of the agreement will not be met). Should this be the case the £23.5m of project expenditure to date would need to be funded from savings yet unidentified in the Council's budget which would have a significant impact on the future delivery of Council Services.
- 3.5. Additionally, any delay will have a detrimental impact on the Portsmouth Local Plan (PLP) timetable. Specifically, any delay to finalising the strategic site policy for Tipner West and Horsea Island East (in line with the revised principles), will push back the Regulation 19 pre-submission consultation (currently scheduled for May/June 2024) and submission for examination, thereafter.
- 3.6. It is important to note that we are progressing the PLP at a time of national change, with the Levelling Up & Regeneration Bill moving through parliament. We need to submit the PLP before a new system comes into force, otherwise there will be abortive costs (to be met from Council funds) because the plan-making process would need to start again, at the beginning of the new process. It is worth noting that the Government is offering significant incentives to get new Local Plans in place as soon as possible. For example, once new Local Plans are adopted, there will not be a

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<sup>1</sup> [City Deal: Southampton and Portsmouth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/city-deal-southampton-and-portsmouth)

requirement to prove a five-year housing land supply for five years and a Housing Delivery Test Action Plan will not need to be carried out.

#### **4. Background**

- 4.1. On 11 October 2022 a report<sup>2</sup> was taken to Full Council which set out background to the evolution of development proposals at Tipner West and Horsea Island East.
- 4.2. The report noted that numerous development options had been explored, including 'Significant Land Reclamation' (then referred to as Option A), 'Moderate Land Reclamation' (then referred to as Option B), 'Existing Land Mass' (then referred to as Option C) and 'Do Minimum' (then referred to as Option D), all of which had been of value to test the viability of delivery, the spatial design of the site, and to build knowledge of the capabilities of the site.
- 4.3. Full council noted the financial implications of all options, and agreed to aim to deliver an affordable option on Tipner West and Horsea Island East preserving the current delivery of council services and limiting the residual financial burden (i.e., after all realistic attempts to attract further funding), and to consider combining elements of the options.
- 4.4. Full council approved the following guiding principles in October 2022 to bring forward a scheme for development on Tipner West and Horsea Island East:
  1. Rules out the 'Significant Land Reclamation' Option (Option A) - original 'Lennox Point' masterplan.
  2. Rules out 'Do Minimum' Option (Option D)
  3. Prioritise the protection of the land south of firing range.
  4. Provide a minimum of 1,250 homes which maximises affordable housing & 58,000 sqm of employment space. (Minimum affordable housing at 30%)
  5. Satisfies the terms of the City Deal
  6. Satisfies the requirements of the regulatory bodies including Natural England and the Environment Agency
  7. Maximises local job creation.
  8. Minimises costs and impact on City Council finances & services to the public.
  9. Minimises land reclamation to meet the principles listed above and provide bio-diversity net gain of 10% as a minimum.
- 4.5. The (then) Director of Regeneration on behalf of PCC as the promoter of the site, was given authority to work up an associated planning application and business case, noting that further funding opportunities for any option can only realistically be explored following their approval.
- 4.6. Full Council approved the continuation of a cross-party working group to help inform and respond to proposals presented by the promotor team.

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<sup>2</sup> [Agenda for Full Council on Tuesday, 11th October, 2022, 2.00 pm Portsmouth City Council](#)

- 4.7. Following these resolutions, the promoter team appointed a new architect to take forward a nature-first approach to delivering the development proposals. Additionally, a new strategic ecologist and heritage architect were appointed to ensure that ecology and heritage matters are fully considered and responded to in the development of future options.
- 4.8. The project team spent the first half of 2023 preparing and testing options, in conjunction with the cross-party steering group, to provide a set of options that addressed the nine principles in various forms. From eleven options presented to the Cross-Party Steering Group on 30 May 2023, a reduced number of options is now available to consider further.
- 4.9. The full eleven options and the work that led to these was the focus of detailed engagement with the Local Planning Authority (LPA) as regulator to any proposed planning application and the Regulatory Panel, to help ensure alignment with the emerging local plan and that a deliverable scheme was developed.
- 4.10. This significant pre-application engagement with the LPA, and enhanced engagement with the Regulatory Panel, fed into the development and consultation on options for development of Tipner West and Horsea Island East. Chaired by the LPA, the Regulatory Panel includes members from both statutory and non-statutory consultees, including the statutory agencies of the Environment Agency (EA), Natural England, the Marine Management Organisation and Historic England, as well as the non-statutory nature conservation bodies of the Royal Society for the Protection of Birds (RSPB) and the Hampshire and Isle of Wight Wildlife Trust (HIWWT).
- 4.11. This engagement brought huge value in ensuring alignment to the emerging Local Plan, and to the process used to assess options for the site. Key issues were explored, including the development potential of Horsea Island East and how the internationally designated sites, known as the Special Protection Areas and Ramsar sites (marine and terrestrial), should be treated. This has led to three key results, outlined below.

## 5. Clarification of the Principles

- 5.1. The above process highlighted some inherent conflicts in the way in which certain elements of the nine principles agreed by Full Council in October 2022 could be interpreted. As a result, it was decided that there was a need to clarify the nine principles to ensure that they were clear, logical, sound, and reasonable without any ambiguity: and to ensure the optimum environmental outcome, whilst meeting the development requirements set out therein.
- 5.2. The principles were clarified during July and August 2023, in a collective process involving the promoter team (internal and external consultants), the LPA and the Regulatory Panel to enable their use in a robust manner without ambiguity, whilst seeking not to change the spirit of the 11 October 2022 decision. The result is a set of seven revised principles, see **Appendix A**. Two of the original principles were not required, as the development options they applied to are not viable options.

- 5.3. The other principles were refined and reordered to provide some structure to the seven principles. As can be seen in **Appendix A**, the first two principles focus on the nature first intent, the next two set out the development proposals that form the brief, followed by a requirement to minimise costs and impact on City Council finances and services to the public (which was unchanged), before a principle setting out the form of working arrangements that the Council wanted to see with key stakeholders; the final principle categorically notes the Council's desire to minimise any land reclamation.
- 5.4. All members will be aware that the need to revise these principles, and that the revised principles, have been discussed, debated, and agreed by the Cross-Party Steering Group.
- 5.5. **Appendix A** sets out the new principles and the rationale behind each and makes cross reference to the original nine principles.

## 6. Definition of the 'Overarching Project Objective'

- 6.1. The principles provide a set of core guidance for the promoter team and the LPA to develop options for the site. These options and any alternatives need to be tested within a Habitats Regulations Assessment (under the procedures set out within the Conservation of Habitats and Species Regulations 2017 (as amended) (the Habitats Regulations) ('the 2017 Regulations').
- 6.2. Given the impacts of the project (for example dredging) on a 'European site(s)'<sup>3</sup>, one of the legal tests that any project proposal will need to pass to qualify for consenting, is a consideration of alternative solutions. The purpose of this specific test is to determine whether there are any other feasible ways to deliver the overall objective of the project, which will be less damaging to the integrity of the European site(s) affected. Guidance makes it clear that any alternative must meet the original objective of the proposal<sup>4</sup>.
- 6.3. Any alternative solutions to delivering the project's objective(s), need to be assessed to ensure they deliver on the objective(s), are financially, legally, and technically feasible, and whether any alternative solution could have less impact to the SPA/Ramsar. As such, an 'Overarching Project Objective' is required for the project to be able to test alternatives and options against. This needs to be clear and able to be used to test all options. The Overarching Project Objective is in **Appendix B**.

## 7. Expansion and sifting of options.

- 7.1. The engagement with the LPA and Regulatory Panel <sup>5</sup>, and the Cross-Party Steering Group, has led to requests for additional options to be tested. In summer 2023, the original eleven options increased to thirteen. The LPA then suggested sifting the

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<sup>3</sup> As defined in regulation 8 of the 2017 Regulations.

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

<sup>5</sup> Meetings held on 15 August 2023 and 14 September 2023

thirteen down to six, which includes three of the four options originally put to the Cross-Party Steering Group in May 2023.

- 7.2. Those six options have since been through a granular sifting process by the promoter team, in conjunction with input from the Regulatory Panel on the sifting criteria and the assessments, with the LPA taking a view on the assessment of the options. Some further iterations of the shortlist have been generated to ensure that all options are considered. In addition, a 'component element' approach has been adopted, whereby discrete 'component elements' within each option has been identified, to allow the potential for one or more new option(s) comprised of different component elements to be considered. This is good practice in spatial masterplanning, as it helps to identify component elements which have greatest stakeholder support; identify those elements which have greater sensitivity, and the nature of that sensitivity: and helps to negate the scenario of developing & evaluating multiple masterplan options with minor variations, which would be costly and time-consuming.
- 7.3. It is highly likely that by the time the full council meets this ongoing iterative sifting process will have further progressed; a verbal update will set out the progress and direction of travel. Thumbnails of the current final set of options under consideration are in **Appendix C**.

## **8. Integrated impact assessment**

- 8.1. As part of the master planning and public consultation work, a full integrated impact assessment will be undertaken and will form part of the planning application.

## **9. Legal implications.**

- 9.1. The recommendation made in this report to approve the principles set out in Appendix A falls within the definition of a 'key decision' and is therefore reserved to the Cabinet. The Cabinet may refer the report to the Full Council for noting and may seek the Full Council's endorsement (as guidance to the Cabinet) of the principles at Appendix A.
- 9.2. Any development option at the Tipner West and Horsea Island East site taken forward must be in line with the relevant conditions of the City Deal Grant and the proposed revised principles include that requirement.
- 9.3. As referred to in the main body of the report, the principles and the overarching objective have a crucial role for Tipner West and Horsea Island East scheme in terms of undertaking masterplan optioneering and completing relevant assessments.
- 9.4. One of the key assessments that will be required is an 'appropriate assessment' (also known as a 'Habitat Regulations Assessment') pursuant to Regulation 63 of the Conservation of Species and Habitats Regulations 2017 ("the 2017 Regulations") to establish whether the proposed development is "likely to have a significant effect" on the conservation area within the Tipner West and Horsea Island East site, on the basis that the Portsmouth Harbour Special Protection Area is a 'European site' and a 'European marine site' under the 2017 Regulations.

- 9.5. A plan or project which is likely to have a significant effect on a European site can only proceed if the appropriate assessment ascertains that the plan or project will not adversely affect the integrity of the European site.
- 9.6. Once an appropriate assessment has been undertaken, and the conclusion of the assessment indicates that the proposed scheme will have adverse effects or there is uncertainty over its effects, it can only be granted consent if certain derogation requirements under article 6(4) of the Habitats Directive 92/43/EEC (which is transposed by the 2017 Regulations) apply. The first one requires that there must be no feasible alternative solutions to the scheme which are less damaging to affected European sites. As stated at paragraph 6 of the report, any alternative must meet the original objective of the proposal. Therefore, is a need for a designated overarching objective which will clearly state the core aims of the Tipner West and Horsea Island scheme to ensure the assessment of alternatives is completed in a satisfactory and robust manner.
- 9.7. Having an overarching objective is also important in relation to satisfying Environmental Impact Assessment (EIA) requirements. For instance, there is a requirement in the Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006 at Rule 11(1)(d) to submit an environmental statement with the relevant application to include a “*description of reasonable alternatives studied by the applicant*”. In addition, Rule 11(1)(f) requires the provision of “*any additional information specified in Schedule 1 relevant to the specific characteristics of the proposed works...*”. Schedule 1 paragraph 2 refers to the reasonable alternatives and proceeds to require an environmental statement to include “*an indication of the main reasons for selecting the chosen option, including a comparison of the environmental effects*”.
- 9.8. Therefore, without an overarching objective, there may be uncertainty around the process for identifying and assessing the “reasonable alternatives” (and final proposal for the scheme).
- 9.9. The principles set out in Appendix A do not have the same legal 'status' as the project objectives from the perspective of Habitat Regulations Assessment and EIA requirements and therefore the legal framework and tests outlined above do not apply to them in the same manner. However, they do have an important role in terms of guiding the scheme development to ensure that the overarching objective is satisfied. The principles should therefore also form part of the assessment process, and similarly to the overarching objective, need to be clear, logical, sound and reasonable in the circumstances.
- 9.10. Considering the importance of the principles and the overarching objective in the process of optioneering and completing relevant assessments, a legal opinion on them will be sought from leading counsel to provide a good level of certainty around the approach the Council is adopting to optioneering and assessment processes.

## **10. Director of Finance's comments**

- 10.1. At this stage the thumbnail options presented in Appendix C are an indication of the of the alternative developments for the scheme but will continue to go through a process of significant revision and adjustment. As a consequence, detailed financial evaluations of the thumbnail options are not yet capable of being completed.
- 10.2. The potential costs, risks and residual financial burden on the Council associated with the final shortlist of development options for Tipner West will need to be assessed in due course.
- 10.3. Whilst there remains significant refinement and adjustment to be completed to each of the options, early estimates suggest that Option 11c (as currently configured) is likely to result in the lowest residual funding gap at c. £50m.
- 10.4. It is not legal to borrow for any residual funding gap unless the Council can demonstrate that, inter alia, it can afford to repay that borrowing over the period of the borrowing. The ability to borrow 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.
- 10.5. Given the challenged financial environment and the level of uncertainty regarding inflation, cost pressures (mainly in care and housing services), interest rates and funding reform, demonstrating that additional borrowing is affordable over the long term cannot be demonstrated to be prudent unless the returns (savings or income) arising directly from the investment funded by borrowing exceeds the borrowing costs themselves.
- 10.6. If the shortlist of development options contains residual funding gaps these would need to be provided from Council funds (capital or revenue) which could lead to significant financial deficits that would fall on the Council's Revenue Budget with consequent implications to the future delivery of Council Services. The implications were described in detail in the 13/09/22 Full Council Report.
- 10.7. To "minimise costs and impact on City Council finances & services to the public" it is clear that as part of the further refinement and adjustment of options, the Council will need to design a scheme that:
- i) Maximises the opportunity for additional external funding



- ii) Optimises the revenues that can be generated from the scheme through the sale of serviced land parcels
  - iii) Continues to value engineer costs whilst seeking to maintain the proposed principles set out in the recommendations of this paper
- 10.8. To obtain greater clarity over the likely viability of any scheme and have a "reasonable expectation" that any "residual funding gap" is capable of being closed, it is expected that Homes England would be the most likely funder of sufficient scale.
- 10.9. 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 any residual funding gap.
- 10.10. If further funding is required the Director of Regeneration and the S151 officer will actively be engaged in bidding, to reduce any future pressures on the Council Capital programme.
- 10.11. In terms of expenditure to date, at present £23.5m has been spent in the delivery of the Tipner West Development over the past 7 years. Some of this expenditure would have been necessary for any development scheme, but some of which will become out of date should an agreed scheme not progress. To date, all costs have been funded from the City Deal Grant however, costs that cannot be directly attributed to the final development scheme (aside from a reasonable level of options appraisal) will not be capable of being funded from the City Deal Grant (i.e. abortive) and will need to be met from Council funds. Costs which become abortive would include, costs of master planning discounted options past the options appraisal stage, time expired surveys etc.
- 10.12. Should the revised principles set out in this report not be agreed and the project be unable to progress then it is likely that the terms of the City Deal will not be met and the Council could face the significant financial burden of having to pay back the City Deal funds in a single year (i.e. the point at which it becomes clear that a scheme that does not meet the terms and conditions of the agreement will not be met). If this situation arises the £23.5m of project expenditure to date would need to be funded from savings as yet unidentified in the Council's budget which would have a significant impact on the future delivery of Council Services.
- 10.13. To guard against significant further costs becoming abortive due to surveys becoming time expired and needing to be refreshed, it is important that progress can continue to avoid this occurring whilst working towards the planning application submission.

Signed by Assistant Director Regeneration - Property and Investment

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**Appendices:**

- Appendix A - The proposed revised principles
- Appendix B - Overarching project objective
- Appendix C - Thumbnail options for development
- Appendix D - Proposed programme

**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
Full Council 11 <sup>th</sup> October 2022	PCC website

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

.....  
Signed by:

## Appendix A - The Proposed Revised Principles

Principles 11 October 2022 - Agreed at Full Council Meeting	Principles 15 August 2023 - Presented to Regulatory Panel	Principles 23 August 2023 - Presented to Cross-Party Steering Group	Rationale for changes	Previous Principles Reference
<p>1. Rules out the 'Significant Land Reclamation' Option (Option A) - original 'Lennox Point' masterplan.</p>	<p>1. Achieve the Conservation Objectives of the SPA/Ramsar Sites in regard to their bird populations (both within Portsmouth Harbour and on land south of the Firing Range) in line with the procedures set out within the Conservation of Habitats and Species Regulations 2017 (as amended) (The Habitats Regulations) (HRA).</p>	<p>1. Develop options that have regard to the Conservation Objectives of the SPA/Ramsar Sites in respect of their bird populations and other qualifying features, subject to the procedures set out within the Conservation of Habitats and Species Regulations 2017 (as amended) (The Habitats Regulations).</p>	<p>Ongoing discussions with the statutory and non-statutory nature conservation bodies have clarified that all SPA/Ramsar - both terrestrial and marine - should be treated equally, and direct loss avoided where possible and at worst minimised. This is in accordance with the procedures set out by the Habitats Regulations. Therefore at Tipner West the terrestrial SPA/Ramsar (e.g. land south of the firing range) should be treated equally to any marine SPA (e.g. Portsmouth Harbour), and in line with the Habitats Regulations which state that impacts to any SPA/Ramsar should be avoided; or, if there is no viable alternative, impact should be minimised in meeting the project's stated principles/ objectives (the latter being defined terms by the HRA).</p> <p>Removing reference to areas of the SPA (e.g., the land south of the firing range) and instead focussing on the Conservation Objectives provides flexibility to the project but does not pre-judge the outcome of the Habitats Regulations Assessment (HRA) process.</p> <p>The Conservation Objectives for Portsmouth Harbour SPA are to ensure that the integrity of the site is maintained or restored as appropriate, and ensure that the site contributes to achieving the aims of the Wild Birds Directive, by maintaining or restoring:</p>	<p>3, 6 and 9</p>

Principles 11 October 2022 - Agreed at Full Council Meeting	Principles 15 August 2023 - Presented to Regulatory Panel	Principles 23 August 2023 - Presented to Cross-Party Steering Group	Rationale for changes	Previous Principles Reference
			<ul style="list-style-type: none"> <li>• The extent and distribution of the habitats of the qualifying features</li> <li>• The structure and function of the habitats of the qualifying features</li> <li>• The supporting processes on which the habitats of the qualifying features rely.</li> <li>• The population of each of the qualifying features, and</li> <li>• The distribution of the qualifying features within the site.</li> </ul> <p>The qualifying features are:</p> <ul style="list-style-type: none"> <li>• <i>Branta bernicla bernicla</i>; Dark-bellied brent goose (non-breeding)</li> <li>• <i>Mergus serrator</i>; Red-breasted merganser (non-breeding)</li> <li>• <i>Calidris alpina alpina</i>; Dunlin (Non-breeding)</li> <li>• <i>Limosa limosa islandica</i>; Black-tailed godwit (Non-breeding)</li> </ul> <p>The Portsmouth Harbour Ramsar Site is described as “a large, industrialized estuary consisting of a saltmarsh, vast expanses of mudflats, and tidal creeks on the south coast. The mudflats, supporting extensive beds of eelgrass, green algae, and sea lettuce, provide feeding grounds for internationally important numbers of wintering Dark-bellied Brent Geese. A unique and high-quality flora and fauna occur at the site. Nationally important numbers of Gray Plover, dunlin, and Black-tailed Godwit are supported.</p>	

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			<p>Set in an urban area, there is a major port facility, and large-scale military activities occur at the site”. Ramsar site no. 720.</p> <p>The key designation criteria for the Ramsar site are:</p> <ul style="list-style-type: none"> <li>• Beds of eelgrass <i>Zostera angustifolia</i> and <i>Zostera noltei</i> of the intertidal mudflats. High numbers of the mud-snail <i>Hydrobia ulvaei</i>. Common cord-grass <i>Spartina anglica</i> dominates large areas of the saltmarsh and there are also extensive areas of green algae <i>Enteromorpha</i> spp. And sea lettuce <i>Ulva lactuca</i>. More locally the saltmarsh is dominated by sea purslane <i>Halimione portulacoides</i> which gradates to more varied communities at the higher shore levels. The site also includes a number of saline lagoons hosting nationally important species.</li> <li>• Over wintering numbers of Dark-bellied brent goose, <i>Branta bernicla bernicla</i> occurring at levels of international importance.</li> </ul>	

Principles 11 October 2022 - Agreed at Full Council Meeting	Principles 15 August 2023 - Presented to Regulatory Panel	Principles 23 August 2023 - Presented to Cross-Party Steering Group	Rationale for changes	Previous Principles Reference
2. Rules out 'Do Minimum' Option (Option D)	2. Bring forward a scheme that contributes to Greening of the City, in line with the City Vision 2040, making space for biodiversity and wildlife with a minimum 10% biodiversity net gain preferably onsite or, to the extent not possible, offsite in line the Environment Act 2021.	2. Deliver nature-focused place-making to contribute to Greening of the City, in line with the City Vision 2040, which achieves more than the statutory biodiversity requirement.	<p>Members are keen to develop a scheme focused around nature, and which ties back to the principles within the City Vision 2040 and the emerging Local Plan.</p> <p>The Environment Act 2021 will shortly require a minimum of 10% Biodiversity Net Gain on or off-site, but PCC would like to be more ambitious with regard to this scheme and provide a percentage uplift on this.</p>	9

Principles 11 October 2022 - Agreed at Full Council Meeting	Principles 15 August 2023 - Presented to Regulatory Panel	Principles 23 August 2023 - Presented to Cross-Party Steering Group	Rationale for changes	Previous Principles Reference
<p>3. Prioritise the protection of the land south of firing range</p>	<p>3. Provide a minimum of 814 homes and maximum of 1,250 homes &amp; a minimum of 58,000 sqm of marine focussed employment space (Minimum affordable housing at 30%) alongside enabling infrastructure to satisfy the terms of City Deal</p>	<p>3. Provide a minimum of 814 homes and maximum of 1,250 homes &amp; a minimum of 58,000 sqm of marine focussed employment space (Minimum affordable housing at 30%) alongside enabling infrastructure to satisfy the terms of City Deal</p>	<p>The City Deal sought a total number of homes in the Tipner/Horsea Island/Port Solent Area (2,370). Based on the proposed Local Plan allocation at Port Solent and the increased delivery at Tipner East there is, arguably, only 814 homes left to deliver to meet the terms of the 'Deal' at Tipner West (TW) and Horsea Island East (HIE).</p> <p>1,250 was the combined figure in the diagram accompanying the City Deal for HIE and TW. Whilst Members suggest a minimum of 1,250 homes, it is the view that this needs to be altered to a maximum figure in order to define a scope of the HRA work and allow a boundary to the Local Plan allocation to be agreed.</p> <p>The affordable housing % remains the same, but reference to 'maximising affordable housing' is removed as this could imply provision of 100% affordable housing, which would make the scheme financially non-viable and deviate from the scheme's original principles of a new community of mixed housing provision.</p> <p>The quantum of employment floorspace remains constant. It is proposed that this is focussed on marine employment to reflect the spirit of the Council resolution, City Deal and market demand. Enabling infrastructure refers to key city infrastructure, such as the proposed bridge link to Horsea Island, and other necessary infrastructure to deliver the proposals.</p>	<p>4 &amp; 5</p>

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4. Provide a minimum of 1,250 homes which maximises affordable housing & 58,000 sqm of employment space. (Minimum affordable housing at 30%)	4. Maximise local job creation	4. Maximise local job creation.	This principle remains unchanged.	7
5. Satisfies the terms of city deal	5. Minimise costs and impact on City Council finances & services to the public.	5. Minimise costs and impact on City Council finances & services to the public.	This principle remains unchanged.	8



Principles 11 October 2022 - Agreed at Full Council Meeting	Principles 15 August 2023 - Presented to Regulatory Panel	Principles 23 August 2023 - Presented to Cross-Party Steering Group	Rationale for changes	Previous Principles Reference
<p>6. Satisfies the requirements of the regulatory bodies including Natural England and the Environment Agency</p>	<p>6. Seek to continue to work in partnership with Royal Society for the Protection of Bird (RSPB), Hampshire &amp; Isle of Wight Wildlife Trust (HIWWT), Ministry of Defence and Historic England to develop proposals that are capable of satisfying the regulatory requirements of Natural England (NE), the Marine Management Organisation (MMO) and the Environment Agency (EA)</p>	<p>6. Seek to continue to work in partnership with Royal Society for the Protection of Bird (RSPB), Hampshire &amp; Isle of Wight Wildlife Trust (HIWWT), Ministry of Defence and Historic England to develop proposals that are capable of satisfying the regulatory requirements of Natural England (NE), the Marine Management Organisation (MMO) and the Environment Agency (EA)</p>	<p>This reflects the collaborative and inclusive manner of working to develop a scheme for Tipner West, whilst recognising the regulatory roles of NE, MMO and the EA in the consenting process.</p>	<p>6</p>







Principles 11 October 2022 - Agreed at Full Council Meeting	Principles 15 August 2023 - Presented to Regulatory Panel	Principles 23 August 2023 - Presented to Cross-Party Steering Group	Rationale for changes	Previous Principles Reference
7. Maximises local job creation	7. Minimise land reclamation to meet the principles listed above.	7. Minimise land reclamation to meet the principles listed above.	This principle remains unchanged.	9
8. Minimises costs and impact on City Council finances & services to the public				
9. Minimises land reclamation to meet the principles listed above and provide bio-diversity net gain of a minimum of 10%				

## **Appendix B - Overarching Project Objective**

Required to enable alternative options to be robustly assessed through the Habitats Regulations Assessment under the Conservation of Habitats and Species Regulations 2017 and to comply with the Town and Country Planning (Environmental Impact Assessment (EIA)) Regulations 2017, the Transport and Works Act 1992 and the Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006.

***"To deliver sustainable growth in the Solent economy by providing (a) a marine employment cluster comprising 58,000 sqm of employment floorspace (b) between 814 and 1,250 homes to support the growth in marine employment and (c) critical infrastructure including flood defences. This will be done through nature-focused place-making and will achieve more than the statutory biodiversity requirements."***

## Appendix C - Thumbnail options for development

1(A)	4	6	9 (B)	11 (c)	13
					
<ul style="list-style-type: none"> <li>- 58,000 sqm of marine employment split</li> <li>- 815 Homes</li> <li>- Listed buildings retained but not accessible</li> <li>- Terrestrial SPA/Ramsar retained</li> <li>- Compensation off-site</li> </ul>	<ul style="list-style-type: none"> <li>- 58,000 sqm of marine employment split</li> <li>- minor reclamation for employment to provide working quayside to east of Tipner Point re-instated as required for employment</li> <li>- 815 Homes</li> <li>- Public access to listed buildings</li> <li>- Terrestrial SPA/Ramsar retained</li> <li>- Compensation off-site</li> </ul>	<ul style="list-style-type: none"> <li>- 58,000 sqm of marine employment on one site</li> <li>- minor reclamation for employment to provide working quayside to east of Tipner Point re-instated as required for employment</li> <li>- 1,142 Homes</li> <li>- substantial reclamation c14ha for homes (in ecologically sensitive north bay)</li> <li>- Public access to listed buildings</li> <li>- Terrestrial SPA/Ramsar retained</li> <li>- Open space at HIE</li> <li>- Compensation off-site</li> </ul>	<ul style="list-style-type: none"> <li>- 58,000 sqm of marine employment on one site</li> <li>- minor reclamation for employment to provide working quayside to east and west of Tipner Point as required for employment</li> <li>- 815 Homes</li> <li>- Public access to listed buildings</li> <li>- Terrestrial SPA/Ramsar developed for residential use</li> <li>- Compensation at HIE (circa 25% / 7Ha) and remainder off-site</li> </ul> <p>This provides the opportunity to investigate reclamation for development of terrestrial elements of the SPA / Ramsar.</p>	<ul style="list-style-type: none"> <li>- 58,000 sqm of marine employment on one site</li> <li>- minor reclamation for employment to provide working quayside to east and west of Tipner Point as required for employment</li> <li>- 1,142 Homes</li> <li>- medium amount of reclamation circa 4.5ha for homes</li> <li>- Public access to listed buildings</li> <li>- Terrestrial SPA/Ramsar developed for residential use</li> <li>- Compensation at HIE (circa 25% / 7Ha) and remainder off-site</li> </ul> <p>This provides the opportunity to investigate reclamation for development of terrestrial elements of the SPA / Ramsar along with marine reclamation.</p>	<ul style="list-style-type: none"> <li>- 58,000 sqm of marine employment on one site</li> <li>- minor reclamation for employment to provide working quayside to east and west of Tipner Point as required for employment</li> <li>- 870 Homes</li> <li>- medium amount of reclamation circa 4.5ha for homes</li> <li>- Public access to listed buildings</li> <li>- Terrestrial SPA/Ramsar partially retained with some converted to intertidal</li> <li>- Compensation off-site</li> <li>- HIE allocated for future employment use</li> </ul> <p>This provides the opportunity to investigate partial reclamation for development of terrestrial elements of the SPA / Ramsar along with marine reclamation and some opportunity for conversion of some of the remaining terrestrial SPA / Ramsar to intertidal.</p>

### Rationale for inclusion in stage review

<p>This recognises the 'Do Minimum' stance put forward by RSPB/HiWWT and should be tested further, bearing in mind the minimised direct impacts to the SPA/Ramsar. Options 2 and 3 - versions of Option 1, so we have simply referenced Option 1.</p> <p>Housing quantum increased to deliver minimum of 815 homes.</p>	<p>Prudent to take this forward with Option 1, as it only has marginal direct reclamation around the marine hub quayside and this might remain capable of support.</p> <p>Housing quantum increased to deliver minimum of 815 homes.</p>	<p>This provides the opportunity to investigate reclamation from the northern bay, whether to the extent shown or variation thereof. Recognising that this would face significant hurdles in HRA terms and the compensation costs, its important to take this forward.</p>	<p>This option keeps open the option for HIE as compensatory habitat for LSFR. The areas of reclamation around the working quay are noted but expect these to be refined as required.</p>	<p>This provides an option showing a reasonable viability position with reclamation to the southwest.</p>	<p>The reclamation in this option would be in an area away from the most populated foraging areas of the northern and southern bays. This would further test the option of westward reclamation whilst providing greater protection for established intertidal foraging habitats in the northern and southern bays. It would deliver 870 homes which it is assumed would overcome the reclamation costs but the LPA awaits the viability assessment work on this option.</p>
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Options assessment shortlisting presented to the Cross-Party Steering Group on 23<sup>rd</sup> August 2023.

Based on current feedback from Members at the Cross-Party Steering Group, we do not believe that options 6 and 13 will be supported by Members.

**Appendix D - Proposed programme (Updated with tracked changes subsequent to 3 October 2023 Cabinet)**

Date	Forum	Items
3 October 2023	Cabinet	Approval of the revised principles and noting of overarching objective, thumbnail options for development, options assessment/sifting methodology, and next steps
17 October 2023	Full Council	
1 October November 2023	<b>Cabinet Local Plan progress Meeting</b>	<b>Approval of Discuss the Principles and draft Local Plan policy for Tipner Strategic Site Policy West and Horsea Island East</b>
1 November 2023	Cross-Party Steering Group	Shortlisted thumbnails and possible masterplan for consultation
14 November 2023	Full Council	Approval of Tipner Strategic Site Policy
28 November 2023	Cabinet	Approval of Tipner Regeneration Project masterplan for consultation
January 2024	Cross-Party Steering Group	Tipner Regeneration Project Update
5 March 2024	Cabinet	Approval of Pre-submission Local Plan
19 March 2024	Full Council	
Spring 2024	Public	Masterplan consultation
Spring 2024	Cross-Party Steering Group	Masterplan consultation results
Spring 2024	Public	Pre-submission (Regulation 19) consultation on Local Plan
June 2024	Cross-Party Steering Group	Tipner Regeneration Project Update
July 2024	Cabinet	Note the outcome of public consultation on the masterplan and approval of the masterplan to form basis of the planning and consenting process, and the forthcoming submission of the Transport and Works Act Order (TWAO) application (in accordance with section 239(2)(a) of the Local Government Act 1972)
July 2024	Full Council	
Summer 2024	Planning Committee and Department for Transport	Submission of planning application and TWAO application for Tipner West and Horsea Island East
Summer 2024	Inspector	Submission of Local Plan for examination
Summer 2024	Cross-Party Steering Group	Tipner Regeneration Project Update
October 2024	Cabinet	Confirmation of submission of the TWAO application (in accordance with section 239(2)(b) of the Local Government Act 1972)
October 2024	Full Council	
2024/25	Public	Examination in public
2024/25	Public	Consultation on major modifications proposed by the Inspector
2025	Public	Adopt new Local Plan

<b>2025/2026</b>	Inspector and Planning Committee	Decisions on Tipner West and Horsea Island East TWAO and planning application
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