

North and Central Hampshire and M3 Area

**Local
Investment
Plan**

September 2010

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Executive summary

Introduction

This Local Investment Plan (LIP) sets out the vision, aims and priorities of the local authorities for development and investment in the North and Central Hampshire and M3 (NCHM3) area¹ (see Map). It is the first document covering the NCHM3 area that forms part of the Homes and Communities Agency's (HCA) Local Investment Planning business process which aims to enable partners to:

- bridge local ambition and national targets;
- achieve their vision through a shared investment agreement;
- agree and secure local delivery; and
- achieve positive outcomes for people and places.

The development of this LIP has been overseen by a multiagency "LIP Executive" group including representatives from local government, Registered Social Landlords, the HCA, Defence Estates, the Highways Agency, the Environment Agency, Natural England, the South East England Development Agency and the Government Office for the South East. Housing Associations operating in the area have been closely engaged in the development both through the RSL representative on the Executive (selected through a National Housing Federation run process) and through a workshop to which all the RSLs operating in the area were invited.

Community/public engagement has been indirect, relying on the extensive community and public engagement and consultation that underpins the existing and emerging strategies and plans on which this plan is based.

Similarly those underpinning strategies/policies will also have been the subject of rigorous Equality Impact Assessments. Accordingly, we have undertaken a screening level Equality Impact Assessment, which concluded that, following a few minor adjustments that have now been made), all relevant equality impact issues had been satisfactorily addressed in this LIP.

The LIP Executive group² will remain in place to monitor the implementation of the LIP and to oversee an annual update of the Plan. It will be supported by an annual RSLs and local authorities forum.

¹ The whole of the areas of Basingstoke and Deane, Hart, Rushmoor and Surrey Heath Boroughs plus the parts of the areas of East Hampshire District, Test Valley Borough and Winchester City not included in the area covered by the Partnership for Urban South Hampshire (PUSH). Map 1 shows the key localities and strategic sites in the NCHM3 area (plus further strategic information).

² With the exception of SEEDA and GOSE which are to be disbanded in due course.

Our vision

The local authorities' vision for the NCHM3 area Local Investment Plan is: *to make the North and Central Hampshire and M3 area a better place to live and work in – achieving positive outcomes for people and places.*

The Local Investment Plan

This plan has been developed to set out the investment and development needed to deliver this vision. It does not establish new policy or a new strategy but rather draws together existing policies and strategies from across the NCHM3 area into a single coherent plan.

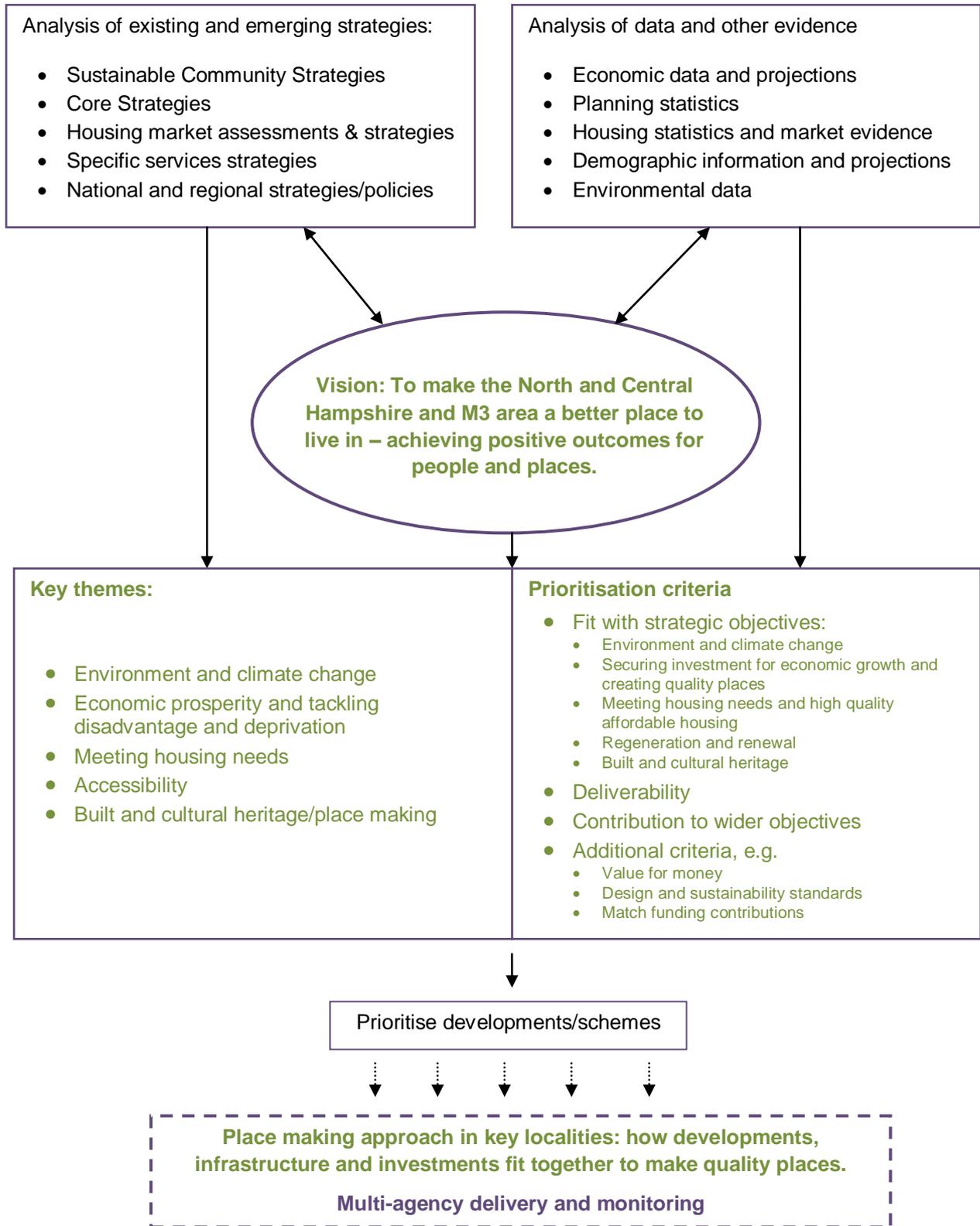
The vision has been translated into a series of key themes and prioritisation criteria through detailed analysis of the strategic policy context and the statistical and market evidence base pertaining to development in the area. These in turn have been applied to the anticipated pipeline of housing developments in the area and, taken together with known infrastructure and other development needs, used to generate an investment programme grounded in a holistic place-making approach to development in key localities. This approach to our Local Investment Plan is summarised in the following key diagram:

Our challenges and opportunities

The NCHM3 is, in overall terms, a prosperous and successful area. On most measures its economy out-performs the South East regional average and the area boasts an impressive array of environmental and cultural assets and generally high quality of life.

Nonetheless, the area includes some pockets of severe deprivation and faces a range of other challenges including: overstretched infrastructure (such as certain junctions on the M3); climate change; pressure on the area's environment (the area includes part of a national park, an AONB, and numerous SPAs) and built heritage; high housing costs; rural isolation; the ongoing restructuring of the economy and barriers to development of appropriate employment floorspace. In many parts of the area, raising skills levels and educational attainment is a particular challenge to be addressed with over 50 super output areas showing levels of education and skills deprivation in the top 20% in the country.

Key diagram: Our approach to this Local Investment Plan



Analysis of the housing market in the area reveals a number of specific challenges that the investment programme set out in the plan seeks to address, including:

- the need for sustainable housing supply to meet local needs including supporting economic growth and recovery;
- high housing costs in comparison to earnings (i.e. low affordability - average house prices are between 8.1 and 10.5 times average incomes in the area);
- high demand and need for affordable housing (including in rural areas) including growing demand for larger family housing and supported housing for older and vulnerable people (in particular in light of demographic changes and the aging population);
- historic undersupply of affordable housing, in particular family housing (and high levels of under-occupancy in social housing)
- the need for regeneration and estate renewal in some areas;
- further improvements to stock condition and adaptations for specialist groups such as people with disabilities; and
- provision of accommodation/sites for gypsies and travellers.

A common theme, therefore, across the NCHM3 area is to ensure an adequate supply of good quality and affordable housing and achieving high quality, sustainable urban design and the development of quality places through place-making.

Prioritisation

To meet these opportunities and challenges, and recognising the limited availability of resources anticipated in coming years, we have developed an approach to prioritising investment housing developments. At its heart is a focussed set of strategic investment priorities:

- Meeting housing needs of residents and ensuring adequate supply of high quality affordable housing (including in rural areas).
- Respecting and enhancing the natural environment and mitigating and adapting to the effects of climate change.
- Securing investment (including in infrastructure, housing and employment developments) to support economic growth and to ensure high quality, accessible places.
- Regeneration and renewal in areas of multiple deprivation and/or poor quality housing stock.
- Respecting the built and cultural heritage including respecting the distinctive character of different places.

We have therefore analysed the anticipated pipeline of housing developments using these priorities, an assessment of deliverability and each development's contribution

to wider sustainable community strategy objectives. A range of further criteria for investment have also been adopted for securing HCA funding including:

- value for money;
- meeting minimum design and sustainability criteria;
- other funding contributions; and
- meeting statutory obligations for race, gender and disability equality

Place making

Building on this development pipeline information and prioritisation, we have considered further the planned priority developments and infrastructure requirements for key localities to produce a high level place making description for each. The thirteen key localities we have considered using this approach are:

- | | |
|---------------|--|
| • Aldershot | • Fleet |
| • Alton | • Liphook |
| • Andover | • Petersfield |
| • Basingstoke | • Whitehill and Bordon |
| • Camberley | • Winchester |
| • Deepcut | • Rural housing across the NCHM3 area. |
| • Farnborough | |

Investment requirement

To achieve the overall vision and the outcomes associated with the strategic investment priorities we have also produced a detailed assessment of investment needs for particular housing development sites and a high level assessment of investment required in physical, social and community infrastructure.

For example, over £268m of investment in affordable housing is anticipated to be required in the period to 2015 (from all sources and including funding for developments already part completed). This will deliver over 6,000 new affordable dwellings over the same period (including some recent completions). We have also proposed that this investment needs to be structured flexibly to include *a longer term funding programme for major/strategic projects* alongside a responsive projects allocation for investment in smaller projects including unplanned windfalls. Over the longer term (the next 20 years or so) at least a further £1bn investment in affordable housing will be required.

This will also need to be supported by appropriate, often up-front, investment in employment developments and infrastructure. A comprehensive assessment of these needs is not available but will certainly include investment in transport infrastructure, environmental and green infrastructure, community facilities and public service infrastructure. Where an assessment of required levels of investment

is available it is summarised in this plan. For example over the next 20 years or so, a little under £1bn investment is required in transport infrastructure, £409m for schools and over £48m for community facilities.

With growing uncertainty surrounding conventional sources of funding for development, and reduced public funding available in particular, it will be important for local partners to work closely with the HCA on future funding options including:

- exploring the potential to use more financial contributions from developers;
- working with lenders to resolve barriers to financing of shared ownership housing;
- creating more flexible forms of tenure and better use of the private rented sector;
- making best use of existing public sector and/or RSL assets and
- better management of existing stock.

These investments together with wider support and innovative use of public sector assets are essential to: deliver economic growth and recovery; tackle deprivation and disadvantage; meet housing needs; respect and enhance the natural and built environment; mitigate and tackle climate change; and deliver high quality places in which people want to live and work. Without it these objectives and the achievement of the overall vision will be put at significant risk even in the short to medium term.

1. Vision and ambition

1.1. Through this Local Investment Plan, we aim:

To make the North and Central Hampshire and M3 area a better place to live and work in – achieving positive outcomes for people and places.

A quality place with challenges

1.2. The North and Central Hampshire and M3 area (NCHM3) is a special place. It has a dynamic and generally prosperous economy and boasts a rich and diverse range of cultural and environment assets. Most of its inhabitants enjoy a good quality of life although too many endure deprivation and hardship. The NCHM3 area faces other challenges, including: overstretched infrastructure; climate change; pressure on the area's environment and built heritage; high housing costs; rural isolation and the ongoing restructuring of the economy.

1.3. Our ambition is to work together across the public sector and beyond to build on the strengths and assets of the area, to meet its challenges and to realise our vision of making the cities, towns and villages in our area better places to live in. We will do this, in particular, by:

- Respecting and enhancing our **high quality natural environment**.
- Improving **economic prosperity** for all in our area including **tackling deprivation and disadvantage** wherever it is found.
- **Meeting housing needs** for everyone who lives in the area.
- Ensuring **accessibility** for everyone, wherever they live.
- Respecting our **built and cultural heritage** including high quality design, retaining the distinctiveness and character of our places and a holistic approach to place making.
- Mitigating and adapting to the impacts of **climate change**.

1.4. These themes are reflected in the Sustainable Community Strategies of all the local authorities in the NCHM3 area albeit the focus and emphasis shifts to reflect local circumstances, challenges and priorities. Underpinning this approach is the importance of place making.

High quality natural environment

1.5. The NCHM3 area boasts some of England's most important and beautiful countryside. The south of the area covers a large area of the South Downs National Park, the north includes part of the North Wessex Downs Area of Outstanding Natural Beauty and the Thames Basin Heaths Special Protection Area covers much of the eastern part of the NCHM3 area. There are many important and attractive areas and habitats in between. The area is particularly rich in water based habitat

with a prevalence of chalk streams such as the Itchen (a Special Area of Conservation), Loddon, Lyde and the Test which is also a SSSI.

1.6. These assets are essential to the health and wellbeing of our area including for water supply and for continuing economic prosperity. We, therefore, want to ensure careful management and conservation to increase biodiversity and support for them as recreational assets for everyone who lives in and visits our area. The health and vitality of rural towns and villages is essential to achieving this.

Economic prosperity

1.7. The NCHM3 has a relatively high performing economy, contributing around 7.5% to the regional economy. High productivity levels are reflected in the type of industries that are located in the sub-region. The area is represented by a much higher concentration of employment in the sectors that have been identified as the drivers for future economic growth. These in turn require the highly skilled labour which in many areas can be drawn from the local residents. The higher than national levels of graduates among the resident working age population ensure that the area benefits from higher levels of employment and relatively low levels of unemployment.

1.8. The area has a diverse and vibrant economy that we want to continue to grow sustainably. As well as offering a stunning environment for world class businesses, our area offers a highly skilled workforce with strong links to higher education and London. We know we can do more and better. Taking action to support economic growth and recovery is of fundamental importance.

1.9. In some areas this will be through substantial physical developments to underpin economic growth and/or regeneration objectives, including regeneration of town centres and redevelopment of surplus Ministry of Defence land. Such developments will be accompanied by continued investment in education and workforce skills; ensuring that businesses in our area have access to high quality premises that meet their needs; and investment in infrastructure (including to address the current deficits). Throughout the area our aim is for “smart growth³”.

1.10. Supporting the rural economy and halting the decline in rural village economies is essential for the well being of people who live in or work in rural areas and to protect and enhance the natural environment for everyone’s benefit. It is also essential that economic growth is sustainable with commuting minimised and an increasing focus on reducing emissions and adapting to climate change.

³ The Regional Economic Strategy defines Smart Growth as achieving higher prosperity without increasing the areas ecological footprint. It lists five priorities for achieving smart growth as follows: raising productivity through smart use of technology, knowledge and skills; supporting enterprise with increased effectiveness through simplified business support mechanisms; increasing economic inclusion and making the most of the skills of South East residents; connecting all parts of the region whilst managing transport demand and encouraging sustainable business practices.

Tackling disadvantage and deprivation

1.11. There are too many people in our area who suffer disadvantage and deprivation. Some deprivation in the area is concentrated in particular communities. More is hidden within areas of relative prosperity and may be confined to particular issues such as employment, education/skills, health or rural isolation. Large parts of the area suffer high levels of deprivation in respect of access to affordable housing.

1.12. We are determined to tackle disadvantage and deprivation wherever it occurs. We will do this through: a neighbourhood renewal approach for particular deprived communities; through regeneration schemes in targeted areas; and through targeted support for particular needs or in specific areas, including tackling education/skills deficits and/or rural deprivation and isolation.

Meeting housing needs

1.13. Meeting housing needs and preventing homelessness in the NCHM3 area is a major challenge. There is an acute shortage of high quality affordable housing (of all types and tenures) in large parts of the area, including in rural settlements and in particular a shortage in supply of affordable family housing. Addressing this is essential to support economic recovery and growth as well as improving health and well being and it is a high priority for us all. Within this, recognising the ageing population in the area, it is important to meet the housing needs of vulnerable people including independent and supported living for older people and targeted support for certain minority ethnic communities. Furthermore, providing rural affordable housing (e.g. through rural exception sites) is essential to reducing out-migration from rural areas.

1.14. Improving the quality and sustainability of housing through good design, retrofitting and refurbishment is essential to improving the quality of life of people in the area. In some areas, where there is multiple deprivation and/or poor housing stock a high priority is placed on housing renewal and regeneration programmes.

Accessibility

1.15. Isolation and poor access to facilities and services is a reality for some in the NCHM3 area. Some parts of the area suffer from high levels of peak-hour congestion, while others have limited public transport service or rely on community initiatives. Meanwhile all parts of the area depend on reliable, well-maintained road networks to enable travel of all kinds. Whether they live in rural areas or the more deprived urban areas, we are committed to ensuring that people are able to reach the services they need. Focused investment in transport and communications infrastructure, and measures to ensure that there are viable public transport choices available, will all be essential in tackling isolation and poor accessibility and managing traffic within acceptable levels.

Built and cultural heritage

1.16. We are proud of the rich and diverse built and cultural heritage in the NCHM3 area and want to protect and enhance these assets. High quality design is essential wherever physical development is planned including to retain the distinctiveness and character of rural towns and villages. In particular, where significant new developments are planned they must include, for the benefit of new and existing residents, community facilities and high quality leisure, cultural and entertainment offers, including access to green spaces/infrastructure.

Climate change

1.17. Climate change is perhaps the most pressing and dangerous challenge facing not just the NCHM3 area but the world. We are determined to set an example in climate change mitigation through “smart growth”, high quality development and careful and sensitive management of our environment and natural resources. We are equally committed to appropriate adaptation to the effects of climate change. These are underpinning commitments to everything that this LIP covers.

Place making

1.18. Place making is an holistic approach to development in a locality: it is essential that each element of investment, development and change works together for the benefit of everyone who lives, works or plays in a particular locality; now and in the future. It requires coordination between different agencies and, in particular, alignment of capital (and to an extent revenue) investment in key locations in particular linking investment in housing, employment, regeneration and infrastructure both to maximise efficiency and to create and enhance high quality places that work. Within the NCHM3 area we have identified 13 key localities where a place making approach is necessary due to their future plans for housing and employment development. These are described in detail later in this LIP.

Partnership

1.19. We understand that businesses and housing markets don't work within local authority boundaries. Therefore, in 2009, we established the North Hampshire and M3 Economic Board⁴ to establish a strategic, partnership approach to ensuring that businesses and residents in the area can take advantages of opportunities that will arise as the economy emerges from recession. That board, supplemented by membership from East Hampshire District Council and Winchester City Council, will oversee the continued development and implementation of this Local Investment Plan. A multiagency Project Executive Group has steered the development of this LIP including representatives from local government, Registered Social Landlords, the HCA, Defence Estates, the Highways Agency, the Environment Agency, Natural England, SEEDA and GOSE.

⁴ SEEDA, Hampshire Economic Partnership, Leaders and Chief Executives of Test Valley, Surrey Heath, Rushmoor, Hart and Basingstoke and Deane and a Cabinet Member from the County Council.

2. Strategic context

National Strategic Context and the HCA's Corporate Plan

2.1. With a recent change of Government, this Local Investment Plan, has been developed in a period of significant change in the national policy context for investment in housing, regeneration and communities. In particular:

- Reduced funding for homes and communities including an initial £230m cut in the HCA's budget;
- SEEDA and GOSE are to be disbanded and Local Enterprise Partnerships are to be established.
- Plans for devolution of powers and financial responsibilities to local government including the rapid abolition of regional spatial strategies.
- Proposals to reform the planning system and provide incentives for sustainable development for new homes and businesses.
- Plans for higher environmental standards and levels of protection.

2.2. Nonetheless, the broad thrust of some areas of national policy is likely to remain unchanged and/or already have a clear new direction. Within this context the Homes and Communities Agency's Corporate Plan Goals – growth, affordability, renewal and sustainability – remain relevant to the vision and ambition for the NCHM3 area, albeit with considerable shifts in emphasis in different parts of the area:

- **Growth** is an important factor in a number of areas including:
 - Basingstoke as an area that has had historically high levels of growth and is a designated growth point with a focus on maximising economic potential⁵.
 - Areas where significant developments are planned on land to be released by the Ministry of Defence – Aldershot (where an urban extension is planned), Whitehill and Bordon (a proposed Ecotown) and Deepcut.
 - Other areas with significant development plans including Andover and Winchester.
- The need for new **affordable housing** (of all tenures) is acute across the NCHM3 area with those needs varying between urban and rural areas and between those areas depending on demographics and other local circumstances (e.g. the needs of a large Nepalese and Ghurkha community in Rushmoor).

⁵ Following the abolition of the South East Plan, Basingstoke and Deane Borough Council has commenced work to understand better the levels of growth that will be appropriate in the future.

- Areas suffering from high levels of multiple deprivation and/or poor housing stock and layouts have significant programmes of **regeneration** including housing **renewal** often under the framework of comprehensive Neighbourhood Renewal Strategies. These include: Heron Wood and North Town in Aldershot, Mayfield in Farnborough and areas in Andover and Basingstoke. Furthermore, some settlements (such as Basingstoke, Camberley and Farnborough) have high priority **town centre regeneration** programmes involving mixed use schemes with residential elements to enhance vitality and viability.
- **Sustainability** and a high quality environment are a high priority across the area. In areas such as the proposed new Ecotown at Whitehill and Bordon and also in areas like Aldershot, Basingstoke, Camberley Winchester City and Andover the emphasis is on the sustainability of new developments. In other parts of the sub-region, in particular the South Downs National Park, North Wessex Downs AONB and the Thames Basin Heaths SPA the emphasis is on protection and enhancement of outstanding natural environments

Windfall sites (PPS3)

2.3. The local authorities within the NCHM3 area place a high importance on urban regeneration and development of brownfield sites to maximise the use of land already in urban use and to help tackle deprivation. 'Windfall sites' have historically provided a substantial proportion of house building, particularly in older urban areas – as can be seen from the data presented later in this Plan. Whilst their precise location cannot be identified in advance, it has been possible in the past confidently to predict the future quantum of such development.

2.4. The Government's objective still remains that 60% of all new housing should be provided on previously developed land. The Government's recent decision (June 2009) however, to exclude private gardens from the definition of previously development land, the deletion of the national indicative minimum density of 30 dwellings per hectare for new development and capitalising on the potential value of brownfield land for wildlife and green space within our towns will inevitably mean that the contribution of "windfalls" to overall housing provision will reduce.

Regional Strategic Context

2.5. In common with the national strategic context, there are considerable changes occurring in strategy and policy at the regional level, in particular the removal of, or changes to, regional governance and planning regimes.

2.6. A key underlying driver for our vision and ambitions for the NCHM3 area is to maintain and enhance the economic prosperity of the area. As such, despite its

limited future shelf-life, the **Regional Economic Strategy** (RES) provides important context for economic development in the NCHM3 area. Particularly:

- the designation of Basingstoke as one of the South East Region's Diamonds for Investment and Growth which seeks to build on Basingstoke's economic strengths, the regeneration of key areas of the town and a particular emphasis on education and skills to strengthen further Basingstoke as a regional hub for investment and economic growth;
- the emphasis on 'smart' and sustainable growth and education and skills development; and
- the central importance of mitigating and adapting to climate change, reduced resource consumption and preserving and enhancing biodiversity and the quality of the natural environment.

2.7. The **South East Plan** has recently been abolished and local authorities are although now exploring the practicalities and implications of the new planning regime. The following information from the South East Plan is, therefore, presented as historical context. In the Plan all of Rushmoor and large parts of Basingstoke and Deane, Hart and Surrey Heath council areas fall within the Western Corridor and Blackwater Valley (WCBV) sub-regional strategy area in the South East Plan with Basingstoke identified as a regional transport hub and growth point⁶. A large urban extension (4,500 homes) is proposed for Aldershot, a further significant opportunity is identified at Whitehill and Bordon (5,500 homes) as well as significant sites in Winchester and Test Valley. The table below summarises the South East Plan housing allocations for the NCHM3 area and delivery to date⁷:

Authority	Total housing allocation (2006-2026) within the WCBV area	Total housing allocation (2006-2026) in the rest of the NCHM3 area	Total housing allocation (2006-2026)	Delivery to March 2010 - % annualised completions requirement
Basingstoke and Deane	18,300	600	18,900	124%
East Hampshire	Nil	4,000 ⁸	4,000	161%
Hart	4,300	100	4,400	75%
Rushmoor	6,200 ⁹	Nil	6,200	158%

⁶ In common with other local authorities, Basingstoke and Deane Borough Council does not support the housing requirements identified in the South East Plan. Work continues to agree the actual need for housing in Basingstoke and Deane.

⁷ Data is for whole authority areas. Information on starts indicates a general fall off in housing development from 2008/09 onwards, although the data masks a mixed picture of delivery in different areas.

⁸ Figure does not include allocation of 5,500 for the Whitehill Bordon opportunity

Authority	Total housing allocation (2006-2026) within the WCBV area	Total housing allocation (2006-2026) in the rest of the NCHM3 area	Total housing allocation (2006-2026)	Delivery to March 2010 - % annualised completions requirement
Surrey Heath	3,740	Nil	3,740	111%
Test Valley	Nil	6,100	6,100	61%
Winchester	Nil	5,500	5,500	70%
Totals	32,540	16,300	48,840	106%

Source: SE Plan and HCC monitoring data

2.8. The **Regional Housing Strategy** identifies a number of challenges particularly relevant to the NCHM3 area including:

- A high and ongoing demand for housing and affordable housing in particular, including in rural areas.
- Sustainable housing development.
- An ageing population and the need to support and provide appropriate accommodation for vulnerable people generally, including promoting and maintaining independent living.
- The need to ensure good quality housing to promote health improvement

2.9. Given the scale of ambition for economic development and supporting housing development, provision of improved and renewed infrastructure in the NCHM3 area is essential. In the three year period from 2008-11 over £125m has been allocated by the **Homes and Communities Agency** to the NCHM3 area for affordable housing, regeneration and growth (further detail is available in chapter 6). Beyond this, regional and national allocations for transport and other infrastructure investment in the NCHM3 area have been limited and a significant uplift is required to meet our vision and ambitions.

Local Strategic Context

2.10. The NCHM3 area is large and diverse. Its population of around 700,000 people live in a range of large modern settlements, historic cities and towns, large and small market towns and small villages all set in a large and beautiful rural area. In common with the rest of the UK, the area has an aging population with around 15% of the population currently aged 65 or over (slightly above the UK average). Approximately 5.5% of the population are from black and minority ethnic backgrounds (well below the UK average) with higher than average BME populations in Basingstoke and Deane, Rushmoor and Surrey Heath. In common with the rest of the UK, these demographics are changing over time with increasing older and minority populations and decreasing household sizes.

⁹ Includes Aldershot Urban extension with no expectation of alternative provision for 4,500 homes should that development not proceed.

Sustainable Community Strategies

2.11. There are, of course, significant variations in emphasis and priority across the NCHM3 area. Therefore, the purpose of this chapter of the LIP is not to create a single or common strategy for the NCHM3 area but rather to draw out commonalities and some of the variations in strategies adopted by the seven local authorities involved.

2.12. As noted in chapter 1, an analysis of local authorities Sustainable Community Strategies in the area shows the following common themes of most direct relevance to this Local Investment Plan:

- Respecting and enhancing our **high quality natural environment**.
- Improving **economic prosperity** for all in our area including **tackling deprivation and disadvantage** wherever it is found.
- **Meeting housing needs** for everyone who lives in the area.
- Ensuring **accessibility** for everyone, wherever they live.
- Respecting our **built and cultural heritage** including retaining the distinctiveness and character of our places.
- Mitigating and adapting to the impacts of **climate change**.

2.13. Other common themes include: **community safety** (reducing crime and the fear of crime), **health and well-being** (including decent housing and meeting the needs of an aging population) and **education and skills** (not just for the school age population but also up-skilling the workforce to boost the economy) – all of which have relevance to development and regeneration projects in the area.

2.14. Key areas of variation in strategy across the area include:

- The approach to **economic prosperity**: in some areas (e.g. Aldershot, Andover, Basingstoke, Camberley, Whitehill and Bordon and Winchester City) the approach includes or centres on plans for investment and growth, including major developments to stimulate and support economic growth; in other areas (e.g. Aldershot, Farnborough and Basingstoke) there is a particular emphasis on regeneration and renewal; and in the mostly rural areas the emphasis is on reversing the decline in the rural economy while protecting the countryside on which it relies.
- **Meeting housing needs**: while there are common themes around increasing supply of high quality affordable housing and family housing and supporting vulnerable people, there are clear differences in approach and emphasis between urban and rural areas (where differences in development opportunities are marked) and some areas have very specific needs for particular groups (e.g. Nepalese and Ghurkha communities in Rushmoor).

- Enhancing and protecting the **built and cultural heritage of the area**: in rural areas there is a particular emphasis on preserving the character and distinctiveness of rural towns and villages whereas in larger urban settlements the focus is either in creating high quality, distinctive new places through good design and inclusion of community facilities or on renewal of run-down and/or unfit accommodation and buildings as part of an overall approach to regeneration and tackling deprivation element of the overall.

Strategic Planning

2.15. At the time of writing none of the local authorities in the NCHM3 area has adopted their Core Strategy. As would be expected, there is a wide variation of approach and emphasis within emerging Core Strategies depending on the needs and opportunities that present themselves in different areas. Following the abolition of the South East Plan many local authorities are now reviewing the approaches taken to date in their emerging Core Strategies.

2.16. A survey of emerging Core Strategy policies does, however, reveal a number of key themes including:

- Provision of sustainable, affordable housing of the right mix and type of dwellings is a high priority for all the seven local authorities with development largely focussed on the larger settlements in the area.
- Concern over how to balance the tension between affordable housing needs in rural areas (e.g. through rural exception sites) with the need to respect and enhance the high quality natural environmental assets the areas enjoys.
- A high priority for development on previously developed and/or derelict land.
- A strong emphasis on high quality, sustainable urban design and development of quality places.
- Uncertainties over allocation of land for employment uses in a volatile economic climate and the need for a flexible approach and involving constant monitoring of employment land use and demand.
- The majority of proposed allocations for employment uses are in urban areas: seeking to protect such uses and improve the quality of the stock and efficiency of land use is a common objective (an exception is Surrey Heath where change of use from employment to housing is less constrained due to the district's high employment to labour availability ratio).
- Policies aimed at supporting the rural economy including appropriate conversion of farm buildings with emphasis on renewable energy and tourism in particular, as well as on supporting and promoting home working.

2.17. Other points to note are:

- The emphasis in Test Valley, Basingstoke and Deane and Winchester to linking employment developments to skills and learning for example through links with Higher Education and knowledge based and creative industries.
- A very strong emphasis on sustainability for new and existing dwellings in Basingstoke and Deane, including retrofitting and use of combined heat and power plants.

2.18. As noted in chapter 1, a number of **key localities** can be identified from emerging Core Strategies where, often through substantial physical development and/or regeneration schemes, significant change is envisaged. These are:

- | | |
|---------------|------------------------|
| • Aldershot | • Farnborough |
| • Alton | • Fleet |
| • Andover | • Liphook |
| • Basingstoke | • Petersfield |
| • Camberley | • Whitehill and Bordon |
| • Deepcut | • Winchester |

Housing

2.19. A much more in depth analysis of housing markets and needs and strategies to meet those needs is provided in chapter 3 and therefore only a brief summary is provided here.

2.20. A common theme across all local authority housing strategies in the NCHM3 area is to ensuring an adequate supply of good quality and affordable housing. There are various drivers for this including:

- the imperative of supporting economic growth and recovery;
- high housing costs in comparison to earnings (i.e. low affordability)
- high demand and need for affordable housing (including in rural areas) including growing demand for larger family housing and supported housing for older and vulnerable people ;
- historic undersupply of affordable housing, in particular family housing.
- to improve the health and wellbeing of residents, in particular in light of demographic changes and the aging population;
- in many areas the importance of regeneration and estate renewal where communities experience deprivation and/or poor quality housing;
- continued importance of continued improvements to stock condition and adaptations for specialist groups such as people with disabilities; and
- provision of accommodation/sites for gypsies and travellers.

2.21. Both Hampshire and Surrey have local area agreement targets for the delivery of new affordable homes and Surrey has an LAA target for delivery of all housing. A wide range of approaches have been adopted to addressing this need including a new initiative involving a partnership between Hampshire County and Hampshire District Councils to provide 500 additional urban and rural homes using County Council land, released at discounted or nil cost.

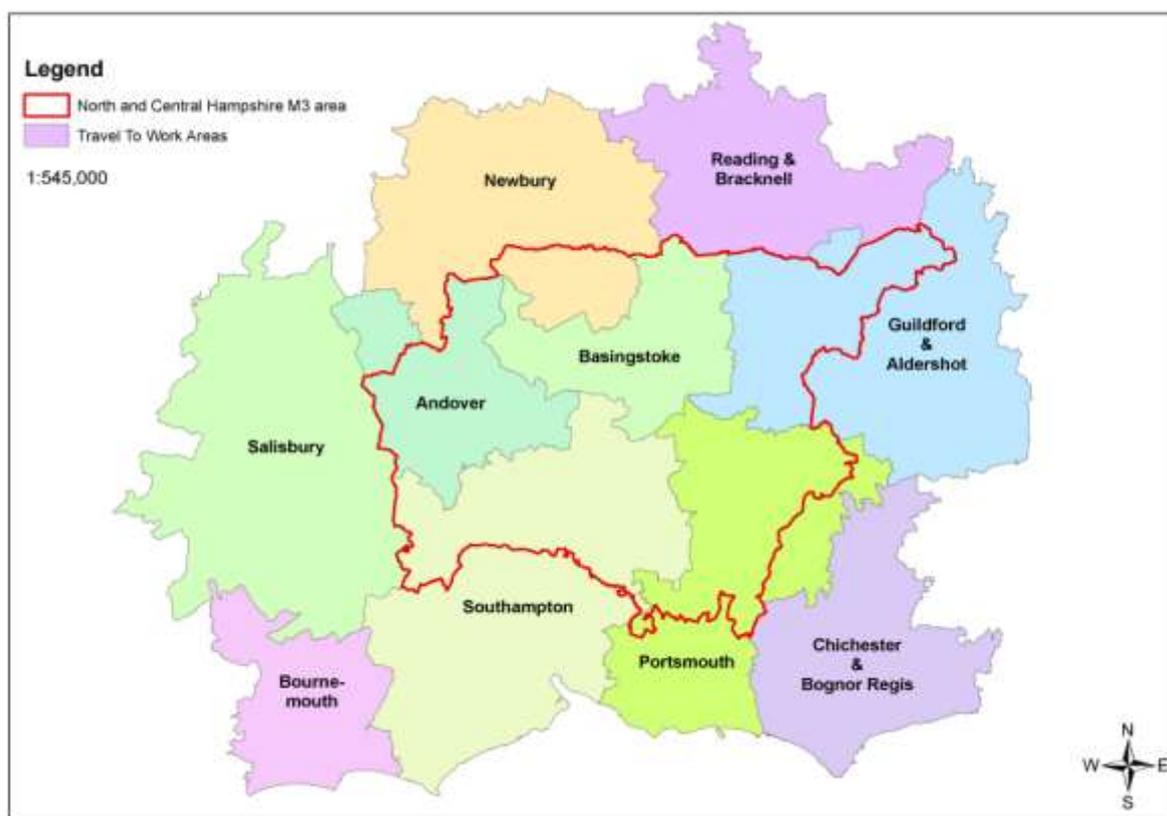
2.22. Other themes common to the local authority housing strategies are:

- meeting the housing needs, including through supported housing, of vulnerable people, particularly older people, to promote independent living;
- reducing homelessness including through preventative measures such as rent deposit/bond schemes and specialist supported housing for vulnerable groups;
- sustainability, energy and water efficiency and combating fuel poverty – both for new homes (through achievement of at least Code 4) and for existing dwellings through programmes of retrofitting (including in the private sector and through decent homes programmes). Hampshire has LAA targets on reducing fuel poverty;
- high quality design to contribute to the development and maintenance of quality places, including (in rural areas) preserving the distinctiveness of towns and villages; and
- meeting the requirements of the Equality & Human Rights Commission in respect of providing suitable accommodation for Gypsies & Travellers.

2.23. Effective partnerships with RSLs is essential for the successful delivery of all local authority housing strategies not least because all, except Winchester City Council, have transferred their stock.

Economy

2.24. The NCHM3 area is an area of a great economic potential. The northern part of the area, and to a lesser extent Central Hampshire, is an entrepreneurial engine, outperforming the national and regional rates. Medium to high tech industry is the focal aspiration with current sectors of environmental technologies, life sciences and health technology and knowledge economy experiencing an overall growth in terms of the numbers of people employed. The higher growth in the north of the area is partly explained by Foreign Direct Investment peaks in 2000 and 2004, highlighting the role that investment plays in employment growth. Public administration education and health are relatively under-represented in the area which should provide some resilience as public sector spending reductions take hold. The area's relationship to travel to work areas is shown in the map below, indicating that the NCHM3 area straddles a number of such areas and therefore serves/supports a number of economic areas.

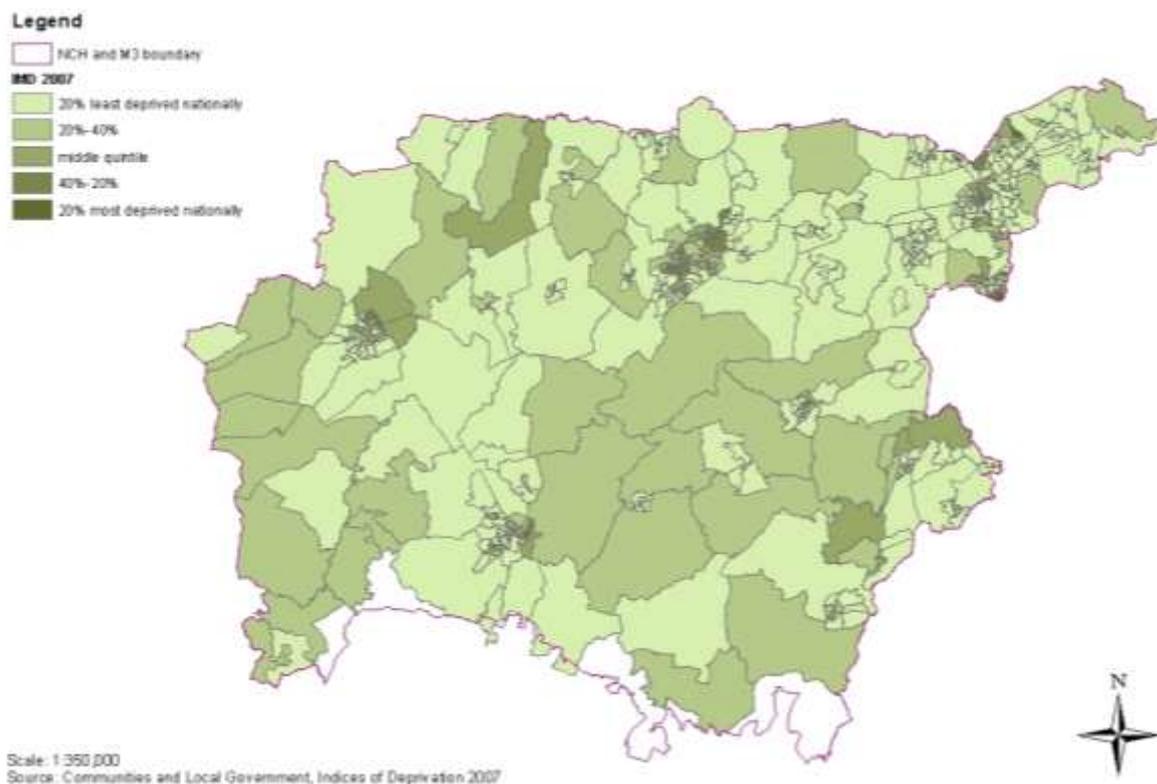


2.25. The area is generally prosperous with higher than average incomes and standards of living, higher than average skills levels and higher than average economic activity rates (see tables below):

Skills levels	NCHM3 area	South East	England
% with NVQ4+ - working age	34.5	31.5	28.7
% with NVQ3 only - working age	17.1	17.3	15.8
% with Trade Apprenticeships - working age	3.6	4	4.1
% with NVQ2 only - working age	17.0	16.1	16.1
% with NVQ1 only - working age	13.5	14.5	14.2
% with other qualifications - working age	6.8	7.7	8.9
% with no qualifications - working age	7.6	8.9	12.3
% with NVQ3+ - working age	53.3	50.8	46.5
% with NVQ2+ - working age	72.1	68.9	64.6
% with NVQ1+ - working age	85.6	83.4	78.8

Source: Annual Population Survey 2008

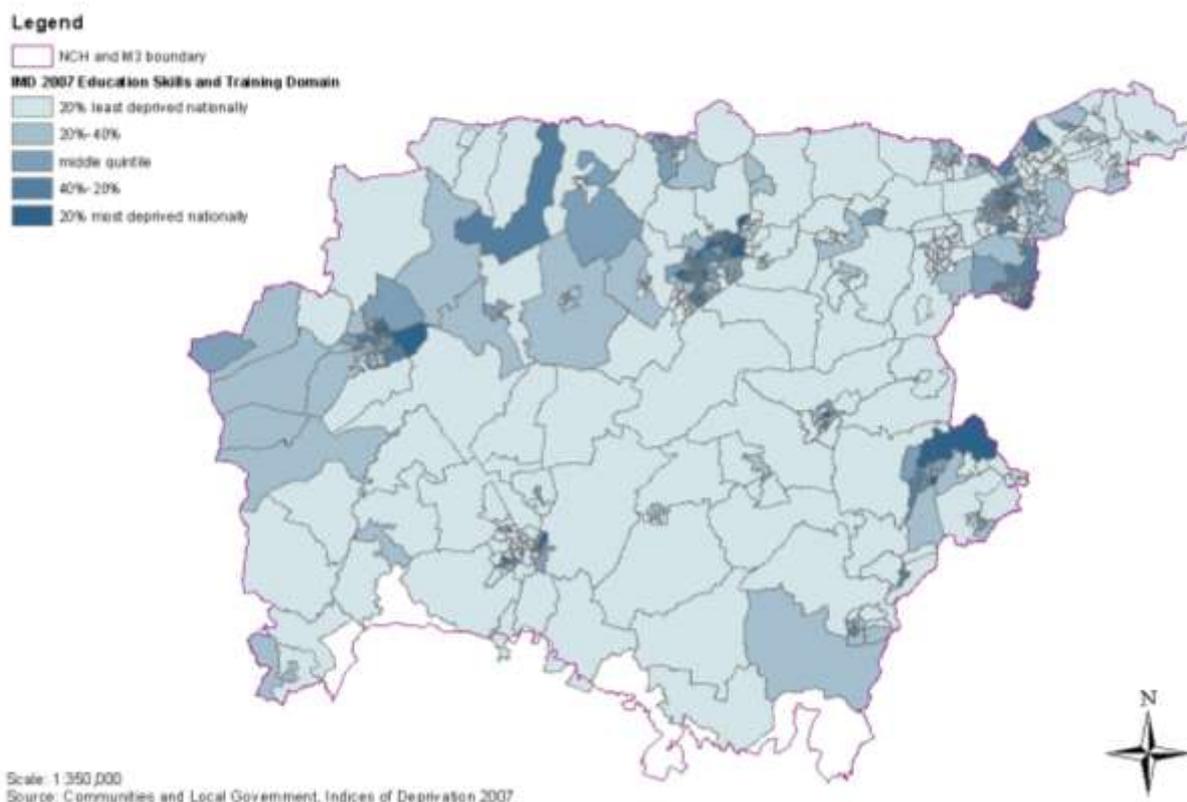
2.26. However, there are pockets of **deprivation and disadvantage** including three Lower Super Output Areas (LSOAs) in Rushmoor that rank in the 20% most deprived in the country for multiple deprivation. A further 22 LSOAs are ranked in the 40% most deprived in the country 10 of which are in Basingstoke. A map of deprivation indices across the area is shown below.



2.27. A number of authorities, therefore, have regeneration and renewal priorities, including in their housing strategies, that reflect particular local circumstances including:

- significant programmes of housing renewal and regeneration in areas such as North Town, Heron Wood & Mayfield in Rushmoor and areas of Andover and Basingstoke; and
- targeted support for the needs of ethnic minority populations (in particular in areas such as Rushmoor which has a particular priority for meeting the housing needs of the growing Nepalese & Ghurkha communities).

2.28. Notably, there are also 35 LSOAs in the most 20% most deprived in the country for education and skills, the majority of which are in Basingstoke and Rushmoor. The distribution of education deprivation across the area is shown in the map below. There are also 49 LSOAs in the most 20% most deprived in the country for children and young people, again with the majority being in Basingstoke and Rushmoor.



2.29. When viewed alongside recent rises in unemployment rates (see table below) this highlights a particular concern over educational levels and access to the labour market for some people in the area.

	Economic activity rate (%)	ILO unemployment rate (%)
Basingstoke and Deane	85.5	5.6
East Hampshire	79.5	4.6
Hart	89.3	3.7
Rushmoor	90.6	4.2
Surrey Heath	80.0	4.3
Test Valley	81.0	4.2
Winchester	81.8	4.2
NCHM3 Totals	~84.0	~5.0

Source: Annual Population Survey 2008-9 for economic activity rates and ONS model-based unemployed

2.30. **Education and skills** is, therefore, a high priority issue for all localities, albeit with differing emphases. For example, in Andover there is a particular emphasis on tackling low levels of skills in the workforce; in Basingstoke there is a strong emphasis on the skills for knowledge economy; Winchester is focussing on exploiting the City’s status as a cultural stronghold; and in Rushmoor there is as emphasis on communications linked to military expertise.

2.31. Employment, skills and business support therefore figure strongly on the Hampshire **Local Area Agreement** (LAA) with key priorities being:

- improving skills by raising basic skills and moving people up the skills ladder (with Rushmoor highlighted as a particular priority);
- increasing rates of employment (with Rushmoor and Basingstoke identified as particular priorities) and helping those with disabilities into work;
- business growth, to maintain current regional performance and exceed national performance; and
- narrowing the gap in earnings between residents and workers in certain targeted areas (with Rushmoor and Basingstoke identified as particular priorities).

2.32. The Surrey LAA also has targets for improving skills, business growth and reducing unemployment. A summary of the relevant Hampshire and Surrey LAA targets relevant to economic development is provided at appendix 1.

2.33. Economic forecasts suggest that the northern part of NCHM3 area economy will, over the next 15 years, grow at a higher rate than the South East regional average. In part this is due to the presence of higher productivity sectors in this area. Whereas the southern part of the NCHM3 area is projected to grow at a slightly lower rate than the South East regional average. In terms of employment numbers the growth should be led by pharmaceuticals, insurance, computer services and professional services across the NCHM3 area. These sectors together with communications, air transport and electronics are also forecast to lead the growth in terms of the economic output. Certain types of manufacturing and agriculture are the sectors that are most likely to decline.

2.34. In general local approaches to economic development focus on the key urban localities highlighted in the Strategic Planning section of this chapter, although as also noted above there is also a distinctively rural economic agenda across the NCHM3 area. Retaining existing businesses and attracting new entrepreneurs, building on sectoral strengths (particularly environmental businesses) and exploiting proximity to London and Farnborough Airport (the only dedicated business airport in England), are common themes across the area as is boosting retail in towns centres and encouraging tourism.

2.35. **Investment in housing** (particularly high quality affordable housing), **infrastructure and employment developments** is important to support these economic ambitions and maintain the area's overall economic success (and hence contribution to the exchequer). Although the area is projected to experience further high economic growth, this would be dependent on both productivity growth and employment growth. The latter could occur by either higher in-commuting of residents of neighbouring districts or by more in-migrants settling in north and central

Hampshire. A lack of housing and affordable housing in particular, may seriously hinder this potential for future sustainable growth of the local economy. It is also essential to enable, and ensure delivery of, regeneration and renewal schemes to tackle deprivation where it occurs in the area.

2.36. There is a range of approaches to **employment developments** to support economic development across the area including protecting, regenerating and improving employments sites (with the exception of Surrey Heath) and in some areas allocating new land for employment development (e.g. in Andover and Winchester)¹⁰. Information on the area's portfolio of important employment sites is provided at Annex 2 to this plan.

2.37. The area has a significant number of important employment sites with a particular specialisation in office locations and high quality business and research parks in the north of the area, e.g. Farnborough Business Park. In the southern parts of the area most sites are general industrial and business areas. The quality of the office sites on offer is particularly high, with around 80% assessed as well suited to modern business requirements. There are six strategic employment sites in the area¹¹, some of which are currently assessed as not being immediately available (e.g. requiring remedial action or infrastructure investment, market failure or with concerns over leaseholds), which is one of the critical pressures facing land supply in the area and is significant deterioration from the position in 2006.

2.38. The area's portfolio of employment sites are of considerable strategic importance for employment land. Basing View is particularly important for employment land in the north of the area, being described as a "21st Century business location". The five sites that make up Chineham Business Park are all considered to be of high quality with market expectations for immediate-to-short/medium term availability whilst the three sites at Farnborough Airport are part of the IQ Farnborough development to deliver flexible modern business premises. The Walworth Industrial Estate in Andover is a mix of light industry and warehouse specifically listed for the proposed development of B8 warehouse facilities.

Environment, Sustainability and Climate change

Climate change

2.39. Climate change mitigation and adaptation is a common theme across the NCHM3 area, reflected in emerging Core Strategies, Sustainable Community Strategies and the Hampshire and Surrey LAAs. Both LAAs have an emphasis on

¹⁰ Significant areas of previously developed land or areas of poor employment stock are identified for employment redevelopment in Basingstoke.

¹¹ The six strategic sites are: Pyestock (near Fleet, Hart); Farnborough Business Park, Farnborough Airport (Rushmoor); The Enclave (Rushmoor); Farnborough Business Park, Plots 300-380 (Rushmoor); Andover Business Park (Test Valley) – which requires modernisation; and Walworth Industrial Estate (Andover, Test Valley) – which requires modernisation.

using resources more efficiently (measured through recycling/landfill rates) and mitigating the process of climate change. In addition, the Hampshire LAA includes a priority of adapting to the consequences of climate change.

2.40. In terms of use of resources, both counties prioritise further innovation to reduce the amount of landfilled municipal waste/increase recycling rates. Surrey prioritises climate change mitigation through a goal to reduce per capita CO₂ emissions. Hampshire also has a goal to reduce CO₂ emissions but places the higher priority on adaptation through planning to adapt to climate change. The relevant LAA targets are summarised at appendix 1.

Flood risk and surface water drainage

2.41. Flooding in the NCHM3 area comes from multiple sources, rivers, rainfall (surface water), rising groundwater and overwhelmed sewers and drainage systems. The local authorities use a robust sequential test when choosing strategic sites, to avoid areas of high flood risk from rivers; informed by Environment Agency flood maps and Local Authority Strategic Flood Risk Assessments. Properly prepared assessments of the various sources of flooding inform decision-making at all stages of development planning. Sustainable Drainage Systems (SUDS) is preferred for surface water management over other more traditional piped systems. This reduces flood risk to the sites themselves and elsewhere, and helps mitigate climate change.

Green Infrastructure

2.42. Green Infrastructure is essential for the active planning and management of networks of multi-functional open space. Its enhances biodiversity (particularly important in the NCHM3 area due to threats of development on important wildlife sites). Its other important functions include creating a sense of place, increasing recreational opportunities, improved water resource and flood management, positive contribution to climate change and sustainable transport such as cycle ways.

Water Resources

2.43. Over the next 25 years, the pressure on water supplies in the South East is expected to increase due to climate change, population growth and environmental protection. If we do nothing, unconstrained demand for water is forecast to rise, and the volume of water currently available for use is likely to reduce. There are also CO₂ emissions associated with the entire process of water abstraction, treatment, conveyance, use and disposal. A study by the Environment Agency quantified these and demonstrated that 89% of the emissions were due to the use of water in the home, the remaining 11% are due to wastewater treatment, water treatment, water distribution and source, abstraction and conveyance by water companies. 2.2kg CO₂ are emitted daily per household through water use. Adopting the Code for Sustainable Homes level 4 at a minimum for water efficiency of 105 litres per person

per day for strategic developments will make a substantial contribution to mitigating these impacts.

Waste water infrastructure

2.44. Due to the ecological importance of the chalk watercourses in the NCHM3 area, it is vitally important to take account of both the operational capacity of existing sewage treatment works and the environmental capacity of the receiving rivers when assessing suitability of strategic developments. This is particularly relevant for any large developments that will feed into the Chineham¹² (Basingstoke), Fullerton¹³ (Andover) or Peel Common¹⁴ (which also serves parts of Winchester) waste water treatment works; all of which have environmental capacity challenges that need to be addressed in line with the Water Framework and/or Habitats Directives.

Thames Basin Heaths SPA

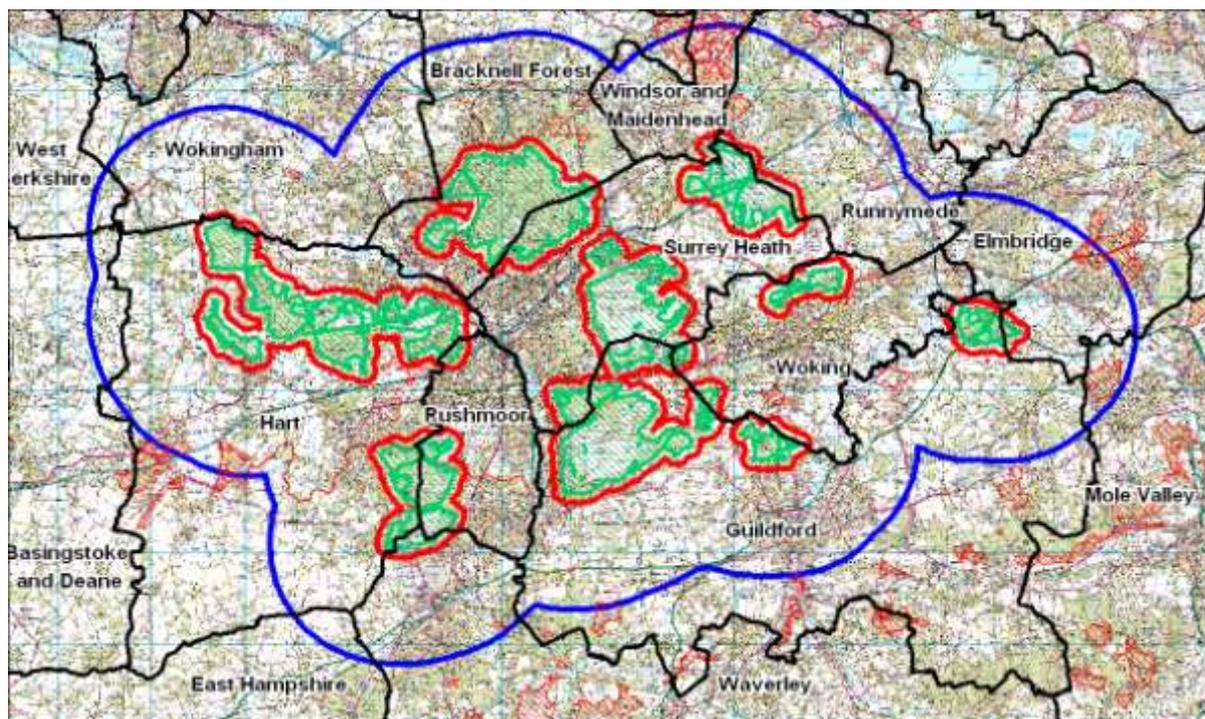
2.45. The NCHM3 area has a high concentration of lowland heathland sites of European importance which fall within two Special Protection Areas (SPA): Thames Basin Heaths SPA and the Wealden Heaths Special Protection Area SPA. Surrey Heath, Hart, Rushmore and East Hampshire local planning authorities are amongst the 13 local authorities which cover this area. Research has shown that heathland bird species are vulnerable to the effects of increasing urbanisation around the heathlands, particularly from visitors.

2.46. The majority of visitors to the SPA come from within 5km of the Thames Basin Heaths and most of these use the site for regular dog walking. The SPA is moreover the main accessible greenspace for much of the population in the area, and people tend to select it over other greenspace for its particular qualities.

¹² Pressure on Chineham Waste Water Treatment Works is one of the key challenges for growth at Basingstoke which is already exceeding phosphate limits. This is an environmental capacity issue, as Best Available Technology (BAT) level is already in place at the works. A Water Cycle Study has been completed, led by Basingstoke & Deane Borough Council which will be used to help inform whether additional new development can be accommodated.

¹³ One of the key challenges for growth at Andover is the pressure on Fullerton Waste Water Treatment Works. Future growth in this location has specific difficulties resulting from uncertainties surrounding the exact dry weather flow currently accepted at the works. With significant developments planned, there is the possibility that phosphate levels will be breached. This part of the River Test is a designated stretch for salmonids under the Freshwater Fish Directive and designated as a Site of Special Scientific Interest.

¹⁴ One of the key challenges for growth at Winchester is the pressure on Peel Common Waste Water Treatment Works. It is highlighted as likely to exceed its dry weather flow consent limit. The discharge consent for the works will be amended as a result of the Habitats Directive (HD) review of consents process, to include a nitrate limit below that currently accepted to be BAT level. In order to ensure a load (product of concentration and flow) standstill, no increase in consented flow to the works will be permitted until developments in treatment technology are realised. Therefore new developments proposed will need to be accommodated within the proposed HD consent.



2.47. In order to avoid harm to the SPA from increasing urban development and ensure the requirements of European legislation are met efficiently, Natural England with the collaboration of the local authorities has developed a strategic approach rather than attempting impact evaluation and mitigation provision on a case by case basis. In addition to the protection of the SPA this approach provides certainty to developers, improves provision of greenspace to local residents, and delivers wider biodiversity gain. The strategic avoidance and mitigation approach includes:

- a 400m exclusion zone of a net increase in population around the SPA;
- developer contributions towards alternative greenspaces, for developments between 400m and 5km;
- similar contributions for large developments of over 50 dwellings between 5km and 7km; and
- strategic access management and monitoring across the whole SPA.

2.48. To deliver the above each local authority has developed avoidance and mitigation strategies for green space provision within the 400m-5km zone which provides alternative opportunities for recreation. These spaces are often within and close to developments and may include enhancement of existing areas of public open space as well as new areas. Brownfield land may well be suitable/appropriate as part of the suite of alternative green space sites. The costs associated with this, and monitoring of visitors to both the SPA and the alternative green space sites, will be provided by developers contributions.

Design

2.49. The local authorities within the NCHM3 area place great importance on achieving high design quality in urban and rural areas. Good design is essential to deliver sustainable, high quality and attractive places where people will want to live, work and relax.

2.50. The greatly increased support for good urban design (at a national, regional and local level) in the past decade has played a critical role in the provision of successful developments throughout the NCHM3 area. A survey of the design policies of emerging Core Strategies and local planning guidance in the area reveals a number of key themes including:

- ensuring that new development maintains the quality of those environments that are treasured;
- creating and maintaining places with distinctive character;
- creating streets and public spaces that are safe, accessible and pleasant to use;
- enhancing the environmental and social conditions of regeneration areas to the benefit of social cohesion;
- securing exemplars of architecture that attract investment and raise the profile of the area; and
- minimising our contribution to climate change through the more efficient use of energy and natural resources.

2.51. Highlights of what has been achieved in recent years include: the Atrium shopping, leisure and residential development which is revitalising Camberley town centre; the 'IQ' Farnborough Business Park and associated Farnborough Aerodrome which is providing a new high quality business environment in north east Hampshire and includes such architectural highlights as the Control Tower and Operations/Terminal Building; and the Merton Rise housing development in Basingstoke which marries good principles of layout with a contemporary approach to design.

2.52. Good design can best be achieved with the full involvement of the local community. Initiatives such as the award winning 'Look at Romsey', Romsey Town Design Statement (albeit that Romsey is outside the NCHM3 area) offer one illustration of how grass roots views can be integrated into the design process.

2.53. An improvement in design quality will be delivered through a range of measures including:

- 2.53.1. Clear design policies, addressing both site-specific and generic issues, set out in Planning Documents and other forms of guidance such as masterplans, design briefs and design codes.

2.53.2. The fostering of a design-led culture using multi-disciplinary and multi-agency teams and working with private developers to achieve agreed urban design objectives.

2.53.3. Addressing the deficit of urban design skills and raising place awareness through training to be provided for local authority officers, members and other stakeholders where appropriate.

2.53.4. The value of existing areas is critically analysed to identify where there may be areas that require investment in quality.

2.53.5. The quality of new development is assessed and reviewed through the use of design panels, the assistance of organisations such as CABE and local architectural centres, and the Building for Life process.

2.53.6. The use of specified minimum code levels to secure sustainable development.

2.53.7. The use of resources such as the Hampshire County Council Companion Guide for Manual Streets¹⁵.

2.53.8. Involvement with the local community in the planning, design and management of places.

Transport

2.54. The emerging transport strategy for the NCHM3 area over the next 20 years will, within the context of likely funding constraints, need to take account of planned development in the area. Specifically, it will need to address a number of challenges, including:

- Ensuring that the existing high-quality transport network is effectively maintained and is increasingly resilient to the effects of climate change.
- Worsening congestion and the need for mitigation of the anticipated transport impacts of planned development on strategic national corridors (such as the M3 and A34) and the local highway network, including cross-boundary traffic flows from Central and North Hampshire and a number key designated growth centres such as Reading, Woking and Guildford.
- The current Regional Network Report produced by the Highways Agency identifies that the M3 is operating at high levels of daily stress between M3 J2 to J4 and J10 to J14.
- Reducing car dependency in the area through development of high-quality public transport alternatives including access to Heathrow Airport and enabling more commuting by rail network.
- Ensuring the timely delivery of transport infrastructure and Smarter Choices measures to support areas where significant development is taking place, especially at Andover, Basingstoke, Whitehill and Bordon, Winchester, Aldershot and the Camberley/Deepcut area.

¹⁵ <http://www3.hants.gov.uk/hampshire-manual-for-streets.htm>

2.55. Over and above the pressing need better to maintain and manage the existing highway network, there will also be a need over the next 20 years for a number of transport interventions in the area to support development and help deliver wider economic, social and environmental outcomes.

2.56. A wide range of interventions have been identified to improve the strategic highway network in the area including:

- workplace Travel Planning in business park locations near the M3;
- targeted measures to improve capacity at congestion bottlenecks and optimise management of the highway network;
- working with the Highways Agency in implementing Managed Motorways, including junction improvements on the M3 between Basingstoke and London;
- improvements to M3 J6 and Black Dam roundabout to improve safety and reduce congestion;
- mitigating the travel impacts arising from new development, including promoting measures to widen travel choice; and
- supporting low-carbon vehicle technologies through provision of electric vehicle charging points in Basingstoke, Fleet, Andover, Farnborough, Aldershot, Whitehill and Bordon and Winchester.

2.57. For public transport it will be essential to work with bus operators to retain and develop inter-urban bus routes and improve bus service information and to secure a range of rail network enhancements including:

- improved ticketing and station/interchange facilities including at Andover, Farnborough and Fleet;
- new rail stations at locations such as Chineham;
- increased capacity on the Reading-Basingstoke corridor and the main line from Andover and Basingstoke towards London and international airports; and
- better interchange between rail routes in the Blackwater Valley.

2.58. For urban areas designated for significant development a wide range of mitigation measures will be required across all modes to reduce the need to travel, manage the network more effectively and invest in public transport and selective infrastructure enhancements. These are likely to include:

- enhancement of existing Quality Bus Partnerships and develop new ones, especially in Basingstoke, Farnborough, Winchester and Aldershot;
- delivering Town Access Plans for Aldershot, Alton, Andover, Basingstoke Farnborough, Fleet and Winchester, a Basingstoke town centre

car parking management strategy and a Winchester traffic management plan; and

- developing a comprehensive package of transport measures to support the proposed Whitehill and Bordon Ecotown.

2.59. In smaller towns and villages local investment will be required across all modes to reduce the need to travel, manage traffic more effectively, develop public transport services (including community transport) and improve the public realm and streetscape. Specifically in rural areas measures are also required to support grass-roots community travel initiatives, improve road safety and reduce adverse impacts of HGVs.

2.60. Transport and accessibility also take a prominent place in the Hampshire LAA with key themes around improving accessibility, tackling congestion and improving the quality of life and safety in rural villages. Both Hampshire and Surrey LAAs include a priority for improved road maintenance. The targets associated with these themes are summarised in appendix 1.

2.61. Hampshire County Council's overall emerging priority through its LTP3 for the next 5 years is to ensure the safety, soundness and efficiency of the transport network in Hampshire. With Government investment likely to be limited, the emphasis will focus on priority areas relating to the maintenance and management of the existing network. The emerging Hampshire and Surrey LTP3s both have a principal focus on improved road maintenance and management of the existing network.

Social and community infrastructure

2.62. Ensuring the development and economic growth leads to enhanced quality of life and better places is essential and a fundamental aim for all the NCHM3 authorities. Achieving this is a significant challenge and requires investment in all kinds of community and social infrastructure including education and health care facilities, public and private utilities, community facilities, emergency services, green infrastructure and spaces for play and recreation and much more. Hampshire County Council conducted a study into these infrastructure needs and, where possible their likely costs¹⁶ and further details are available in infrastructure delivery plans being developed by district councils as part of their local development frameworks. The key financial implications from this study for the NCHM3 area are summarised in chapter 6.

2.63. Achieving enhanced quality of life and better places depends not only on provision of infrastructure and services but also on other factors such as high quality

¹⁶ Hampshire Community Infrastructure Study, November 2009
(http://www3.hants.gov.uk/hampshire_community_infrastructure_study_november_2009.pdf)

design, attracting appropriate business (including lifestyle businesses) and the quality of, and ease of access to, the public and private services people need.

2.64. These are all, important themes running through the strategies of all the authorities in the NCHM3 area.

3. NCHM3 housing markets

3.1. The NCHM3 is a diverse area with a number of interlinked and overlapping housing markets, many of which are highly localised. The local authorities in the NCHM3 undertake regular Strategic Housing Market Assessments the most up to date of which are:

- the North West Surrey and North East Hampshire Strategic Housing Market Assessment 2009 (covering Hart, Rushmoor and Surrey Heath); and
- the Central Hampshire and New Forest Strategic Housing Market Assessment 2007 and Central Hampshire and New Forest Housing Market Monitoring Report 2010 (covering the remainder of the NCHM3 area).

3.2. This chapter draws on these, supplemented and updated by local authority housing strategies Housing Strategy Statistical Appendices (HSSAs) and other key documents to present an up to date picture of housing markets in the NCHM3 area. It describes key factors influencing affordable housing demand and supply and issues that must be addressed if housing needs are to be met, the economy is to be supported and to improve quality of life. Due to data constraints, data is generally presented for whole local authority areas.

3.3. The NCHM3 area is characterised, in housing market terms, by the contrast between urban, rural and semi-rural environments, making the housing markets particularly complicated. That said, ensuring an adequate supply of affordable housing is a common aim across the area and a key factor in supporting economic growth and improving the health and well being of residents.

Key themes shaping future housing needs and delivery

3.4. Two important themes, together, significantly influence current and future housing needs and delivery:

3.4.1. **Demographic change:** population growth, which continues to be driven by the increasing numbers of older residents. Those aged over 65 are expected to increase more than any other age categories and it is estimated that this age group will make up around 19% of the NCHM3 area population by 2016.

3.4.2. **National and regional economy:** the current economic environment has changed the way in which housing markets are working within the NCHM3 area. Recessionary pressures have resulted in a more stagnant land and property market, which arose due to the initial drop in land and property prices and reduced supply of finance available to both the developer and private purchaser. The effect on the delivery of affordable

rented properties has been less marked until now as larger schemes were developed with funding allocations already in place and Kickstart funding was introduced to bring forward other schemes. With the recently announced cuts to future housing grant allocations and continued caution from developers, funding for new housing schemes remains uncertain and challenging.

3.5. In addition, household incomes are also likely to remain depressed in the short term and it is likely that the availability of mortgages will remain constrained, and out of the reach, for those with poor credit history or insufficient savings to meet minimum deposit requirements. These factors have particular implications for both the supply and demand (although not the need) for open market sale and Low Cost Home Ownership (LCHO) properties.

House prices and affordability

3.6. House prices trends in the NCHM3 area broadly follow those of the wider South East region. Data sourced from the Land Registry between January and March 2010 indicates the South East regional average house price has increased by 16.2% since January 2009, with the average house price in the area now at £271,996. Recent house price changes for the individual local authorities in the NCHM3 area are shown below together with the ratio of average income to average house prices in each local authority area:

Area	Average property price April 2010	Ratio of average income to average house price ¹⁷
Basingstoke & Deane	£252,330	8.1
East Hampshire	£315,393	10.1
Hart	£332,434	8.6
Rushmoor	£210,599	8.5
Surrey Heath	£302,965	10.37
Test Valley	£287,784	9.4
Winchester	£345,177	10.5
South East	-	9.0
England	-	7.1

Source: Land Registry April 2010 and Strategic Housing Market Assessments

3.7. All local authorities in the area report particular affordability difficulties for young people trying to get onto the housing ladder and young couples or families needing to occupy larger dwellings¹⁸.

¹⁷ Data for Hart, Rushmoor and Surrey Heath is for 2008 and for Basingstoke and Deane, East Hampshire, Test Valley and Winchester it is for 2009. Data for South East is 2008 and for England 2006.

3.8. Despite property price decreases at the start of the recession in 2008, accessing home ownership remains out of reach of many prospective first time buyers in the NCHM3 area. The typical deposit requirement of 15-20% remains a significant barrier to entry for many and is likely to continue until much later in the economic recovery. Lenders are also maintaining a much more cautious approach to offering new mortgages, making it difficult for those with any previous adverse credit history to obtain mortgage offers at all or requiring them to pay higher levels of interest or deposits.

3.9. Furthermore, a number of lenders have withdrawn altogether from the LCHO mortgage market, despite the continued high demand shown in the table later in this chapter. From 2007 to 2010 the average equity sold for LCHO sales has fallen from 46% to 40%. This, combined with the generally lower property values, has reduce the overall level of private finance available for schemes, which in turn reduces the value for housing providers in delivering LCHO housing. Again, deposit levels (of approximately £10,000, based on the average LCHO property values in the NCHM3 area) plus other purchase fees (of around £2,500) also present a significant barrier for potential buyers.

Housing need/demand and new housing supply

3.10. As shown in chapter 2, total housing completions for local authorities in the NCHM3 area have held up well during the recession and the outlook for the near future is for this trend to continue. However, these high level averages mask imbalances within the area which may require further attention as the economy emerges from recession. Projected future housing (and affordable housing) completions for 2010-15 are shown in Annex 1 to this plan and housing delivery trajectory presented in chapter 4.

3.11. In 2008/9 1,091 affordable homes were completed in the areas of the seven local authorities in the NCHM3 area. Of these, 91 were provided without subsidy (27 social rented and 64 LCHO). All these figures exclude households assisted through Open Market Homebuy. This delivery has been achieved throughout the economic downturn by close partnership working with RSL partners and by taking a supportive approach to some schemes where difficulties arose due to changes in the market, for example tenure changes from shared ownership to intermediate market rent. These figures are broadly comparable with the delivery from previous years. The table below shows the breakdown of (net) affordable dwelling completions over between 2006 and 2009:

¹⁸ Winchester Housing Market and Housing Need Assessment Update 2010: a recent report prepared by DTZ consulting for Winchester City Council shows that 2 bedroom dwellings are on average 34% higher in price than 1 bedroom dwellings illustrating the significant barriers to trading up faced by households at the foot of the housing ladder.

	2006-7			2007-8			2008-9			Grand total 2006-2009		
	Social rented	LCHO	Total	Social rented	LCHO	Total	Social rented	LCHO	Total	Social rented	LCHO	Total
Basingstoke and Deane	187	109	296	319	143	462	313	227	540	819	479	1298
East Hampshire	78	42	120	80	55	135	173	60	233	331	157	488
Hart	46	33	79	17	0	17	0	0	0	63	33	96
Rushmoor	78	134	212	31	42	73	95	59	154	204	235	439
Surrey Heath	23	12	35	6	0	6	0	83	83	29	23	12
Test Valley	68	12	80	85	20	105	25	5	30	178	37	215
Winchester	55	29	84	66	104	170	15	30	45	136	163	299
NCHM3 total	535	371	906	604	364	968	621	464	1085	1760	1127	2847

Source: Data supplied by HCC for SEERA/SEEPB annual monitoring surveys

3.12. In 2009/10, 963 affordable homes were completed (36% of total completions). Future affordable housing completions are likely to continue at a variable but on average slightly lower level than historic completions based on data provided by the local authorities (see chapter 6 for more details).

3.13. These figures are clearly considerably below the modelled minimum need for affordable housing shown in the table below. The needs figures represent households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the open market. They should not be confused with demand for affordable housing which is always much higher: for example according to the area's Strategic Housing Market Assessments, total demand for affordable housing is for just under 20,000 units – almost 3 times the assessed need.

Authority	Affordable rent	Intermediate housing	Totals
Basingstoke and Deane	780	889	1,669
East Hants	350	345	695
Har	375	386	764
Rushmoor	704	487	1,191
Surrey Heath	556	540	1,096
Test Valley	380	367	747
Winchester	380	540	920
Total	3,252	3,554	6,806

Source: CLG Housing Needs Assessment Models 2007 Strategic Housing Market Assessment Practice Guidance

3.14. This level of completions would clearly be unachievable, given reduced availability of funding and likely total numbers of housing completions, and could never be acceptable given the constraints in the area. This data is, therefore, only provided to demonstrate the need for affordable housing in the area.

3.15. Nonetheless, overall, levels of housing demand have continued to grow throughout the area during the last 4 year period as evidenced by demand on the housing register, numbers of people registered for LCHO housing with Zone Agents

and activities around homelessness (see section below). The tables below show the numbers of households on the housing register in each district in the NCHM3 area and the numbers registered with Zone Agents for LCHO housing.

Local authority	1 st April 2006	1 st April 2008	1 st April 2010
Basingstoke and Deane	5,083	5,633	6,078
East Hampshire	2,890	2,153	3,761
Hart	1,344	1,882	1,664
Rushmoor	3,634	3,102	2,712
Surrey Heath	1,512	1,757	2,038
Test Valley	2,885	3,048	3,683
Winchester	1,607	2,230	2,765
TOTALS	18,955	19,805	22,701

Source: HSSA statistical returns

3.16. Total numbers of households on housing registers have grown by 20% over the four year period, with the largest increase (15%) occurring during the second half of this period – between April 2008 and April 2010.

Local authority	Numbers registered with Zone Agents May 2010
Basingstoke & Deane	527
East Hampshire	158
Hart	174
Rushmoor	259
Surrey Heath	415
Test Valley	218
Winchester	266

Source: Homes in Hants May 2010 and Surrey Heath Borough Council

Homelessness

3.17. All districts within the area have been highly successful in implementing homelessness strategies focussed on developing a range of alternative housing options and preventing homelessness. This is demonstrated by the analysis of statutory homelessness returns in the table below.

3.18. During the period 2006/07 – 2009/10:

- Levels of accepted homelessness across the area fell by 40%
- Use of temporary accommodation across the area fell by 60%
- All local authorities within the area record estimated levels of rough sleeping of less than 10 each year.

Local authority	Homelessness acceptances		Households in temporary accommodation	
	2006/7	2009/10	March 2006	March 2010
Basingstoke and Deane	77	1	163	5
East Hampshire	82	59	165	84
Hart	10	5	19	1
Rushmoor	25	40	27	8
Surrey Heath	42	50	54	47
Test Valley	21	10	131	41
Winchester	35	11	46	14
Totals	292	174	505	200

Source – CLG - P1E Homelessness Returns

3.19. Nonetheless demand for assistance and pressure on resources continues to increase. An analysis of statutory returns on homelessness prevention activity indicate a 25% increase in volume of successful prevention interventions in the years between 2008/09 – 2009/10. Crucially, these returns measure outcomes of approximately only one third of all activity actually being undertaken to prevent homelessness across the area, as demonstrated in the table below.

Local Authority	Preventions ¹⁹		Housing advice approaches ²⁰
	2008/9	2009/10	2009/10
Basingstoke and Deane	428	506	1,077
East Hampshire	268	282	1,229
Hart	187	313	705
Rushmoor	108	338	644
Surrey Heath	64	75	816
Test Valley	319	297	717
Winchester	189	145	700
Totals	1,563	1,956	5,888

3.20. The most common causes of homelessness are friends and / or relatives no longer being able to accommodate.²¹. Additional pressures within the NCHM3 area

¹⁹ Source – CLG - P1E Homelessness Returns

²⁰ Source – locally collated figures - Housing Advice Approaches (interviews in connection with housing options or supported housing such as 16/17 year olds).

²¹ Source – CLG - P1E Homelessness Returns

have arisen from households facing repossession as a result of mortgage arrears as evidenced through the data in the 2 tables below.

Local Authority	Numbers Approaching the Local Authority with Mortgage Difficulties	Numbers of approaches in priority need and under threat of repossession	Total Applications for Mortgage Rescue Scheme	Accepted Mortgage Rescue Scheme cases
Basingstoke and Deane	76	72	72	17
East Hampshire	14	12	1	0
Hart	38	8	12	5
Rushmoor	97	47	15	3
Surrey Heath	17	11	3	8
Test Valley	41	25	18	0
Winchester	9	6	1	0
Totals	292	181	122	33

Source: CLG – Mortgage Rescue Scheme Monitoring Statistics

Local Authority	Mortgage Claims leading to Possession Orders	
	2006	2008
Basingstoke and Deane	175	185
East Hampshire	80	80
Hart	55	80
Rushmoor	130	125
Surrey Heath	70	100
Test Valley	95	100
Winchester	70	65
Totals	675	735

Source – Ministry of Justice

3.21. This represents a 9% increase in repossession orders over a two year period.

3.22. Over the same period, levels of landlord claims leading to possession orders have also increased (by 13%) as shown below.

Local Authority	Landlord Claims leading to Possession Orders	
	2006	2008
Basingstoke and Deane	320	240
East Hampshire	90	140
Hart	65	55
Rushmoor	90	200

Local Authority	Landlord Claims leading to Possession Orders	
	2006	2008
Surrey Heath	60	75
Test Valley	120	130
Winchester	95	105
Totals	840	945

Source – Ministry of Justice

3.23. This trend is particularly worrying given that the use of private lets by local authorities has increased in order to deal with rising pressures of homelessness (as evidenced by increased in Housing Benefit caseloads and spend over the last few years). This presents further risks of homelessness through over reliance on private sector, particularly with impending Housing Benefit cuts and changes to Housing Benefit. (See section later in this chapter on the role of the private rented sector.)

3.24. This combination of pressures will inevitably lead to rises in potential homelessness across the area.

3.25. A suitably sized and appropriately mixed new affordable housing programme provides the backbone of any homelessness strategy. The following data (of authorities within the area delivering the highest, middle and lowest numbers of social rented units) suggests a clear correlation between affordable housing delivery and reductions in homelessness.

Local authority	Social Rented units delivered 2006-09	Variance in levels of homeless acceptances 2006-2009
Basingstoke and Deane	819	- 96%
Test Valley	178	- 38%
Surrey Heath	29	+ 33%

Source – HSSA Returns

Rural Housing

3.26. The provision of housing, particularly affordable housing, in rural areas plays a key role in maintaining sustainable communities within the NCHM3 area.

Affordability of housing in rural areas is declining with contributory factors including: in-migration to rural areas by people retiring and/or migrating from higher-priced areas including London and the rest of the South East, often with much higher incomes than those in the areas to which they are moving. Rural areas also typically have high levels of owner-occupation and low levels of social rented stock. The Commission for Rural Communities found that in 2004, social housing only represented 7-8% of all new completions in rural areas (a much lower proportion than seen in urban areas in the same period). Of the 1,091 affordable homes

completed in 2008-9, 112 were rural affordable homes. These factors are significant causes of the out-migration of younger people from rural areas to access a wider labour market, higher paid jobs and more affordable homes.

3.27. A range of initiatives are underway across the area to increase the supply of rural housing and affordable housing in particular. Aggregate information on rural housing supply and associated investment in rural communities is provided towards the end of chapter 5 (place making). An example of a specific initiative (HARAH) aimed at providing affordable housing in small rural settlements is outlined below.

3.28. To help increase supply of rural affordable housing, five of the local authorities in the NCHM3 area are members of Hampshire Alliance for Rural Affordable Housing (HARAH)²². They are working together with Hampshire County Council; the Homes and Communities Agency, Rural Housing Enablers and Hyde Martlet to deliver rural housing on exception sites.

3.29. The HARAH Business Plan target is to deliver 130 units in the period from April 2008 to March 2011. It is expected that this target will be achieved. Funding for the schemes is critical. They are often difficult and expensive schemes to develop and may require a higher level of funding than non-exception site schemes. Through HARAH 116 homes have been delivered on rural exception sites in rural areas between 2007-2010 as follows:

Local Authority	2007/8	2008/9	2009/10	Total
Basingstoke & Deane	10	0	20	30
East Hampshire	10	12	0	22
Hart	0	0	9	9
Test Valley	0	13	14	27
Winchester	0	0	28	28
Total	20	25	71	116

Source: Hyde Martlett Priority Parish Forecast May 2010

3.30. A further 195 units are in the HARAH development pipeline with an additional two schemes being undertaken by Sovereign, 1 in Hambledon (WCC) of 9 units to be completed March 2011 and 1 in Burghclere (B&DBC) of 5 units to be completed 2011/12.

Housing for older and other vulnerable people

3.31. In common with the rest of the UK, the population in the NCHM3 area is aging, with significant consequences for current and future housing needs. The

²² Basingstoke and Deane, East Hampshire, Hart, Test Valley and Winchester

percentage changes in age profile of the population in each local authority for the last decade and the next decade are shown below:

Age group	0-14		15-29		30-44		45-64		65-74		75+	
Area	2001-2011	2011-2021	2001-2011	2011-2021	2001-2011	2011-2021	2001-2011	2011-2021	2001-2011	2011-2021	2001-2011	2011-2021
Basingstoke & Deane	0.6	6.3	14.7	0.3	-5.2	2.9	16.2	5.0	23.7	25.4	28.0	37.7
East Hampshire	-7.6	12.9	9.0%	5.9	-15.1	12.5	10.3	4.4	22.5	22.0	18.5	38.3
Hart	0.2	-1.7	7.1	-6.5	-7.1	-7.6	8.0	-2.4	36.4	11.9	37.6	43.4
Rushmoor	-2.7	2.9	12.8	-4.5	-4.1	1.2	15.1	2.2	7.9	21.5	15.1	22.9
Surrey Heath	3.2	5.0	-1.5	-2.3	-7.5	-0.5	11.9	6.8	19.4	12.2	36.2	39.1
Test Valley	-6.3	5.2	14.8	-3.5	-10.6	1.3	11.5	3.2	22.8	18.5	22.3	36.4
Winchester	9.0	15.1	13.5	4.8	-2.8	9.0	13.4	8.4	15.9	21.1	22.9	32.7

Source: HCC

3.32. This data shows that the impacts will not be uniform across the area. Nonetheless, it is an issue facing all authorities in the area that will have implications for support services, extra care housing, the long-term suitability of accommodation, equity release schemes, adaptations and other age related care requirements but also has a knock on effect to the family housing market.

3.33. In 2007 Hampshire County Council adopted a strategy to secure development of 400 units of Extra Care Housing in the period 2008 -2013: 200 units to be new build and 200 units from enhancing existing sheltered schemes. The approach to delivering this aim is to utilise multi- agency partnerships with District and Borough Councils and RSLs.

3.34. Currently the project is on target to achieve 252 new build units (5 schemes) and 305 enhanced units (7 schemes) by 2011, exceeding the original target by 20%. The scheme in Andover will also provide some places for people below retirement age who have a physical or learning disability and the scheme planned for Odiham will be exclusively for older people with learning disabilities. This substantial delivery success has been funded through the use of Hampshire County Council capital funds to help achieve external grants from HCA and Department of Health. Revenue costs will be supported by Hampshire County Council (including Supporting People grant) to provide care and support on site day and night.

3.35. Further opportunities are being explored for additional schemes, both enhanced schemes using existing sheltered housing schemes and new build Extra Care schemes including privately developed schemes for sale in the open market. Hampshire County Council is also considering schemes for other care groups, schemes that link with GP surgeries, small supermarket outlets etc and a new strategy is now being developed.

3.36. The delivery of integrated housing and support services is essential to delivering a fair and effective housing system which supports the most vulnerable and those in most need. Supported housing is vital in helping vulnerable adults to stabilise, maximise their life chances and realise opportunities to live independently.

3.37. Supported and specialist housing projects meet a range of different needs across the area. These include housing and support to address mental ill health, drug and alcohol, offending related issues, as well as housing solutions for adults with learning disabilities, teenage parents, young people at risk and women (or men) fleeing domestic violence.

3.38. A capital housing investment programme underpins a strategic approach to supported housing delivery in the following ways:

3.38.1. Where necessary, improving or reconfiguring the accommodation base within which existing accommodation based services are provided.

3.38.2. Enabling new accommodation based services to be developed in order to meet emerging needs.

3.38.3. Providing sufficient move-on accommodation to prevent blockages occurring within supported housing services

3.39. The coordination of the capital investment and revenue funding streams for future supported housing delivery is therefore essential – new or reconfigured provision which meets identified and prioritised needs cannot happen unless assured revenue funding is in place to guarantee support services can be delivered.

Housing for families

3.40. Historically, younger family households have inherited owner occupied property from their older relatives. However, as older people are encouraged to live in their own homes for as long as they can, there are consequences for the local housing market in a reduction in the availability of funds to buy family homes (inheritance/gifting of equity) and the supply of family sized accommodation into the local housing market.

3.41. Housing strategies across the NHCM3 area support the need to provide more family accommodation. Securing the delivery of family housing is achieved in both the private and public sectors through policies in each of the district's Development Plan Documents.

3.42. Under occupancy is particularly difficult to address through private sector provision due to the fact that downsizing is so difficult to achieve. The preferred property to move into for this age group is a 2-bed bungalow, which are in short supply and therefore expensive to buy. Equity from the sale of a family home is not always sufficient to purchase a bungalow, so older people will sell and register for

affordable housing, suggesting there is an unmet demand in the private sector and adding further pressure to the delivery of suitable property in the public sector.

3.43. The provision of affordable family housing, therefore, continues to be a priority for all local authorities in the NCHM3 area. The table below shows historic delivery of 3+ bedroom properties in each local authority area.

Authority	Percentage of 3+ bedroom homes delivered								
	2006/7			2007/8			2008/9		
	Private homes	Affordable homes	All housing	Private homes	Affordable homes	All housing	Private homes	Affordable homes	All housing
Basingstoke & Deane	44.9	17.2	35.2	49.3	16.5	39.1	52.8	20.7	40.3
(Part)East Hampshire	55.6	26.2	46.6	57.8	20.8	48.6	44.8	34.3	40.7
Hart	54.6	25.0	49.1	66.7	0.0	62.0	42.4	N/A	42.4
Rushmoor	26.2	15.1	23.4	32.5	12.3	28.5	13.4	8.4	11.1
Surrey Heath	8.9	0.0	8.0	13.3	0.0	12.6	12.4	0.0	9.4
Test Valley (Part)	57.7	0.0	44.1	41.6	6.3	31.1	44.4	23.3	40.1
Winchester (Part)	39.8	16.9	35.1	41.2	13.7	33.0	39.7	17.0	36.0
NCHM3 area	37.8	17.3	32.6	47.2	15.0	38.8	40.5	20.2	33.5

Source: HCC monitoring reports

3.44. It is immediately apparent from this data that in each authority in each of the last 3 years delivery of family (3+ bedroom) affordable housing has fallen substantially below the delivery of private family housing. It should also be noted that the majority of households in the most acute housing need (50+ points) require larger houses. It remains clear that there is a significant unmet demand/need for family sized affordable housing.

Young people

3.45. As highlighted above, young people face particular challenges accessing market housing in the NCHM3 area due to high house prices in particular. This is compounded by a range of other challenges young people face, including difficulty accessing the labour market in a time of rising unemployment – there is evidence nationally (and anecdotal evidence locally) that young people have been disproportionately affected by the recession – and, in a number of areas, poor educational attainment. Furthermore, many vulnerable young people require support to access stable housing and, in some cases (e.g. where they have learning difficulties or disabilities) require supported housing.

Housing for disabled people

3.46. Disabled people are also a significant group within the NCHM3 area, many with specific housing requirements that differ to the population as a whole, often including the need for adaptations to dwellings. Research by the Disabled Persons Accommodation Agency (DPAA) claims that there is currently a lack of information

on the specific housing requirements for disabled people. Nonetheless, the research highlights a number of common housing 'barriers' that disabled people may face as follows:

- Market barriers – the private housing market does not adequately provide for disabled people, significantly reducing the options available. Comparatively lower incomes also restrict disabled people from accessing the market to the same extent as the population as a whole and are also likely to restrict their ability to ensure that their additional needs are met.
- Financial barriers – disabled people are less likely than the population as a whole to be in full time employment where they can access higher incomes and are likely to be in receipt of benefits.
- Practical and attitudinal barriers – research showed that people seeking special accommodation preferred to do so themselves and did not register their housing need with a local authority. They were not always aware of the options available to them. Two thirds of survey respondents were unlikely to be accepted onto special needs waiting lists despite having a physical disability, because they were not permanent wheelchair users. Furthermore, 36% of wheelchair users live in houses (not bungalows) and the majority do not want to move but would rather have adaptations carried out to the property

3.47. On average over the last 5 years, NCHM3 local authorities have carried out over 3200 disabled facilities adaptations to properties at an average cost of £5.5k per adaptation and £3.5m pa. In contrast an average £2.05m pa has been received in disabled facilities grant: a shortfall in funding on average of £1.45m pa.

Gypsies and travellers

3.48. In 2002 all Hampshire and Isle of White district councils set up the Joint Local Authorities Gypsy and Travellers Panel, the work of which has led to improvements in the management of unauthorised encampments. Three sub-groups have also worked to identify possible temporary/short-stay (transit) places in north, south-east, and south-west Hampshire, albeit with limited progress due to the lack of deliverable land and funding.

3.49. In view of the Housing Acts requirements, in 2005 the Hampshire Strategic Housing Group (SHOG) commissioned David Coultie Associates (DCA) to prepare a Gypsy and Travellers Availability Assessment (GTAA) of the Hampshire area. The findings of the GTAA were accepted by SHOG in June 2007 following which, the three sub-groups have continued to work to try to identify the means of providing permanent and transit facilities in line with recommendations contained within the GTAA.

Permanent Pitches

3.50. The north sub-group covered the area comprising Basingstoke & Deane, Hart and Rushmoor, with Test Valley in the western group, and East Hampshire and Winchester within the southern group. The GTAA identified the following permanent requirements²³.

District	Permanent pitches required by 2011
Basingstoke and Deane	3
East Hampshire	0
Hart	7
Rushmoor	0
Surrey Heath	19
Test Valley	7
Winchester	11

Source: North Hampshire Gypsy and Travellers Availability Assessment and NCHM3 district councils

3.51. Surrey Heath was subject to a separate West Surrey GTAA that comprised the districts of Surrey Heath, Guildford and Waverley. The projected need between 2006-2011 for Surrey Heath in the West Surrey GTAA was 19 pitches.

Transit Pitches

3.52. The North Hampshire sub-group recognised the need for one transit site within the north area (the GTAA had identified the need for 4 sites comprising a total of 44 pitches to be spread across the whole of Hampshire). The GTAA assessment was that the remaining three transit sites were to be provided in the South and West areas with the third site within the unitary area of Southampton. The West Surrey GTAA identified no need for any transit provision between 2006-2011.

Future work

3.53. Both the Hampshire and the West Surrey GTAAs need to be refreshed to look beyond 2011. Little additional provision has been made in any district since 2006 and is generally being made on an ad hoc basis often through unauthorised development and subsequent planning appeals. There is no transit provision within North Hampshire which undermines the ability of the powers of both the Police and Councils to move-on gypsies and travellers.

²³ Both the Hampshire and the West Surrey GTAAs provided the evidence base that informed SEERA's Gypsy and Traveller review of Policy H7 of the now abolished South East Plan. However, SEERA opted for a redistribution model that resulted in an increased target provision for authorities in Hampshire and Surrey. The review of Policy H7 of the South East Plan was subject to an Examination in Public (EIP) in February 2010. The outcome of the review is not likely ever to be published or pursued further.

3.54. Hart District Council has identified land at Bramshott Lane, Fleet, near junction 4a of the M3. It is suitable for either permanent or transit provision and it is deliverable as the landowner has agreed to support its development. It could accommodate either 15 permanent or 21 transit pitches (the latter would meet all north Hampshire's current and immediate future needs). The site however, is heavily contaminated being a former sewage works. Substantial decontamination works are required. It cannot therefore be delivered without support funding. It was the subject of an April 2010 Homes & Communities Agency (HCA) 100% funding bid but the Government has recently announced that funding for this year has now been withdrawn.

Black and minority ethnic communities

3.55. The barriers to preferred housing and the issues face by Black and Minority Ethnic communities appear to be more related to income, house prices and affordability rather than the fact that they belong to a certain ethnic group or hold a particular national or religious identity. BME households often have lower incomes and larger than the average household sizes, requiring larger dwellings. This can be a particular challenge where BME groups cluster in particular locations: for example in areas of Basingstoke and Rushmoor. Rushmoor is also facing the challenge of supporting a growing Nepalese community.

Military personnel

3.56. East Hampshire, Hart, Surrey Heath and Rushmoor have significant areas of land owned by the MOD, and current reorganisation of military bases in the sub region is freeing up sites for housing development for example: Aldershot Urban Extension, Whitehill and Bordon Eco Town and Deepcut.

3.57. Due to a recent changes in legislation, Military Service Personnel are now eligible for affordable housing in the local authority area in which they are based or have a recent local connection. Previously they would have only been eligible for housing in the local authority area from which they originated. Access to affordable housing is typically required when:

- families leave the armed forces;
- when family breakdown occurs (as the armed forces are only obliged to provide accommodation for their personnel and not their family);
- when a member of the armed forces dies (the family is housed by the MoD for a set period of time before having to find civilian accommodation).

3.58. Additional preference for seriously injured or disabled service personnel is achieved through increased priority in the allocation process. These factors impact the housing register and allocations in key military areas such as Aldershot, Bordon and Church Crookham, within the NCHM3 area.

Empty homes and under-occupancy

3.59. Vacant property levels in the NCHM3 area are below the national average of 3.1% and equal to or less than the South East figure of 2.6%, indicating a generally high level of efficiency in the use of housing stock. There are variances between and within the local authority areas but sound empty property strategies and partnership working enable each housing team to encourage or enforce empty properties to be brought back into use.

3.60. Levels of under occupancy vary quite considerably throughout the NCHM3 area. Information taken from the Strategic Housing Market Assessments show that within the Central Hampshire area, 90% of owner occupier, 68% of privately rented properties and 51% of socially rented properties are classified as under occupied. The Hart, Rushmoor and Surrey Heath SHMA area shows a 46% under occupancy in the private sector (but did not breakdown this further by tenure) and 15.5% of socially rented properties. A recent survey of selected RSLs in the NCHM3 area confirms that under-occupancy is a particular issue with just four RSLs classifying over 3000 family homes as under-occupied.

3.61. One of the things people want as their income increases is more personal space in their home, so high levels of under-occupancy is a measure in many cases of prosperity and is associated with a higher quality of life. People want extra space for many different reasons, for example to allow them to work from home, or to have friends and family to stay frequently or for relatively long periods of time. Under occupancy is also likely to increase as older people are encouraged to stay in their own homes for longer.

3.62. In the owner occupied sector under-occupancy is generally only an issue if people struggle to maintain their property, although if people can be persuaded to move to smaller homes, this could have benefits in freeing up more homes suited to families. In the social housing sector, encouraging households that are under-occupying to move to smaller accommodation could play a part in addressing problems of overcrowding experienced by other social housing tenants. However, local authority allocation policies (which indicate the amount of space that households are entitled to) are far from generous (as a result of the shortage of accommodation overall). Encouraging or incentivising tenants, often elderly households, that are under occupying social rented dwellings to down-size is often difficult to achieve. Nonetheless, a number of RSL partners are developing enhanced incentive schemes which combine a financial payment and practical support to help residents (some of whom do not have family living near them) to find and move into a more suitable home.

Stock condition

3.63. Only Winchester in the NCHM3 area now owns significant amounts of housing stock and, therefore, RSL partners are largely responsible for ensuring that socially rented homes meet the decent homes standard (DHS). The numbers of properties failing to meet the decent homes standard in the NCHM3 area is low: it is zero for most RSLs and under 3% of the total qualifying housing stock for the others.

3.64. The number of homes with category 1 hazards is below average in many areas across NCHM3, but still represents a significant outlay to correct in full. The total cost to bring homes to standard across the NCMH3 area comes to £398.5m²⁴ – still a very substantial sum – of which £191.5m is for category 1 hazards. Surrey Heath faces the largest challenge as it needs to spend a £112m according to its BRE report, whilst Basingstoke and Dean Borough Council requires £32m.

Failure	Basingstoke & Deane	East Hants	Hart	Rushmoor	Surrey Heath	Test Valley	Winchester	Total
Total costs of repairs to category 1 hazards	£21.8m	£45.8	£29.4m	£22m	£21m	£28.7m	£22.8m	£191.50
Costs of general repairs	£7m	£12.3	£13.3m	£12.2m	N/A	£7.9m	£6m	N/A
Costs for repairs for amenities & thermal comfort	£2.9m	£9.2	£12.9m	£10.4m	N/A	£17m	£5.4m	N/A
Total cost to bring homes to standard	£32m	£67m	£55.7m	£44m	£112m	£53.6m	£34.2m	£398.50

Source: local authority supplied data

3.65. Compared to the national picture the picture is mixed with some authorities in the NCHM3 area experiencing levels of unfitness below the national average and some above.

3.66. In addition, RSLs and local authorities face enormous challenges in improving the sustainability of existing stock – private and social – (e.g. in terms of energy and water efficiency), which will require considerable investment in retrofitting for existing properties.

Regeneration and estate renewal

3.67. The general perception of the NCHM3 area is one of prosperity, however, as described in chapter 2, there are pockets of deprivation within the area including,

²⁴ There is some uncertainty in these figures in particular because of the different methodology used in Surrey Heath (a BRE report rather than a stock condition survey) and East Hampshire have not yet finalised their stock condition survey which they dispute.

North Town, Heron Wood & Mayfield Wards in Rushmoor and areas in Andover and Basingstoke. It should be noted that within these wards there are small and defined areas or Estates which suffer the most disadvantage, for example the Denmark Square /Pegasus Avenue area of North Town which is one of the priority regeneration projects for Rushmoor Borough Council. Estates renewal projects form an integral part of the regeneration strategies for these deprived areas.

3.68. Across the area there has been successful progress with the delivery of a number of estate regeneration schemes to re-vitalise under-used sites and those places where the housing stock is in decline, in order to provide well-designed, high quality environments in which to live, work and visit. Such schemes, delivered through a partnership approach with key stakeholders, landowners and communities, ensure that needs are met and that the design and layout reflects the desires of local people. Residents' overall quality of life has been improved by:

- providing well-designed, modern homes in an attractive environment, that meet local needs and achieve high levels of energy efficiency;
- reducing the opportunity for crime and antisocial behaviour by better layout and design; and
- potentially providing additional or improved facilities to benefit existing communities.

3.69. The identification of future key residential areas for regeneration will be through a systematic approach of working with partners and communities to highlight those areas that are the highest priority. However, it is recognised that successful regeneration is about much more than just the “bricks and mortar”; physical improvements, arising from redevelopment or refurbishment need to be dovetailed with a range of other initiatives to tackle the inequalities identified in various local authorities' neighbourhood renewal strategies.

3.70. One of the fundamental ambitions for regeneration and renewal schemes in the future will continue to be aimed at significantly improving residents' quality of life. However, experience has shown that redevelopment (with better layouts, and higher quality more useable open space) can deliver increased housing densities and therefore increased numbers of dwellings.

Role of the private rented sector

3.71. The private rented sector has a key role to play in the housing market, by providing housing for a range of occupiers, including single people leaving home, students, newly forming households and families. It provides a good housing option for those who are likely to want to move home frequently. In contrast to the sales market, the private rented market has remained active in recent years. Supply has increased, partly as a result of property owners letting their properties rather than

selling them, and this has placed a downward pressure on rents. However, despite this there remains a significant affordability problem in some areas.

3.72. The private rented sector plays an important role in the prevention of homelessness. Local authorities have developed good relationships with key landlords in their area and make use of rent bond and rent deposit schemes to help people facing homelessness to access private rented homes.

3.73. The private rented market is particularly important in meeting the needs of households, on low to moderate incomes, who are unable to access home ownership, but are not likely to be allocated a social rented home. A recent study by Winchester City Council suggests that 70% of new households accessing the private rented sector are unable to afford to pay the rent without financial assistance, provided by Local Housing Allowance (LHA). LHA is available to help private tenants with the cost of their rent. The Government has announced changes to LHA that include a reduction in LHA rates for each property type across the area. The impact of this change is likely to be a reduction in the number of private rented properties available within the LHA rates and less access to private rented housing for tenants who claim LHA to cover the full cost of their rent.

3.74. As a result, households on low incomes will either have to move to cheaper rental market areas, which could have negative consequences for local economies, travel and congestion, and the desire to create mixed and balanced communities, or to fund the shortfall from their limited resources, which could lead to greater hardship, increased debt and resulting arrears. This in turn will lead to greater demand being placed on homelessness and housing options services, and an increase in the provision of affordable housing will be required to meet the housing needs of those whose needs cannot be met in the private sector. An increase in the provision of intermediate market rented units by housing associations would help to meet the needs of those unable to afford home ownership or Homebuy products.

4. Priorities and delivery

4.1. The NCHM3 area is large, diverse and complex both in terms of its existing settlements patterns and the needs facing different parts of the area. As such the approach to meeting those needs necessarily varies across the area, not just between urban and rural areas but also depending on the issues facing particular localities.

4.2. Partners in the area have therefore taken a framework approach to prioritising investment in the area. A small number of strategic investment priorities for homes and communities have been agreed as set out and expanded in more detail later in this chapter. These are drawn from existing or emerging policies, plans and strategies developed by local authorities in the area, which have, themselves, been the subject of extensive public and stakeholder consultation.

4.3. The portfolio of housing developments currently in the “pipeline” has been identified and analysed against these strategic priorities. This framework can then be used to prioritise these developments against three criteria: fit with the strategic priorities, deliverability and contribution to wider benefits. We believe this framework approach for investment in housing and communities offers greater flexibility and sensitivity to decision makers, enabling them to make funding decisions that reflect the diverse and complex needs of the area. This analysis has then been taken one stage further into a “place-making” approach to investment prioritisation.

Strategic investment priorities for homes and communities

4.4. Based on the analysis of the strategic context and issues set out in chapters 2 and 3, a limited number of high level investment priorities have been agreed by partners in the NCHM3 area as follows:

4.4.1. Securing investment (including in infrastructure, housing and employment developments) to support economic growth and to ensure high quality, accessible places.

4.4.2. Meeting housing needs of residents and ensuring adequate supply of high quality affordable housing (including in rural areas).

4.4.3. Respecting and enhancing the natural environment and mitigating and adapting to the effects of climate change.

4.4.4. Regeneration and renewal in areas of multiple deprivation and/or poor quality housing stock.

4.4.5. Respecting the built and cultural heritage including respecting the distinctive character of different places.

4.5. Those developments and investments that support multiple priorities in an integrated way will, therefore, be given high priority for public sector investment. Nevertheless, we recognise that some, particularly smaller, developments will have narrower, more specific purposes. Therefore, our over-riding aim is to ensure that these priorities are addressed through the totality of the portfolio of developments and investments.

Securing investment to support economic growth

4.6. Significant investment in infrastructure and community/public service facilities is essential to support economic growth and recovery in the NCHM3 area (see also chapter 6). Securing such investment, ensuring it is delivered in a timely fashion to support the delivery of planned developments and supporting the economy more generally, is, therefore, a high priority for partners.

4.7. Such investment is needed not only to support new developments but also to address the historic backlog which has resulted in some of the current infrastructure frequently operating above its design capacity. The key needs include:

4.7.1. Transport schemes to improve the management of existing assets, selective capacity enhancement (particularly in the rail network and junction capacity enhancements in the strategic road network) and to improve public transport.

4.7.2. Investment in public service infrastructure, in particular health and education.

4.7.3. Provision, and improvement, of the necessary range community and leisure facilities (including green and open spaces) that are necessary to make quality places in which people want to live.

4.7.4. Investment in environmental infrastructure such as flood defences, waste management facilities, water supply and waste water.

4.8. These investments are necessary not only to support our key objective of economic growth and recovery, but also to ensure that high quality places are maintained and developed for the benefit of all who live, work and play in them.

4.9. Significant developments can, and should, make a contribution to at least some of these requirements. However, we recognise that developers will not be able to support all the infrastructure needs of the area and that further public (and private) investment is required.

4.10. We also place a high priority on interventions to support employment and skills and local businesses. In particular, we wish to promote and prioritise

developments that provide opportunities for apprenticeships or other on-the-job skills training and/or opportunities for participation of local business and employees.

Meeting housing needs

4.11. Housing market assessments and strategies, sustainable community strategies and residents surveys consistently highlight high costs of housing and the need for more, high quality affordable housing as a high priority. Our priority, therefore, is to ensure, through a range of measures, an adequate supply of high quality affordable housing, of all types and tenures, both in strategic settlements and in rural towns and villages. The following objectives/criteria area of particular importance in delivering this priority:

- 4.11.1. high quality urban design, architecture and sustainability;
- 4.11.2. making the best use of housing stock and other assets including renewal of poor quality housing stock and/or bringing more empty homes back into use;
- 4.11.3. meeting the high demand affordable housing, in particular for social rented accommodation in many of our settlements;
- 4.11.4. the need for more affordable family housing;
- 4.11.5. providing for the needs of vulnerable people (particularly older people and those with disabilities);
- 4.11.6. supporting rural communities through provision of high quality, affordable housing in rural towns and villages; and
- 4.11.7. value for money, where public sector investment is required.

Respecting and enhancing the natural environment

4.12. The NCHM3 area boasts internationally important countryside and habitats. We are determined not only to protect these but also to enhance them through strategic investment, the delivery of local authority plans for strategic green space provision and careful stewardship. Greenfield development sites will, therefore, only be released where there is a demonstrable need and the land to be released is not of particular environmental importance.

4.13. More generally, our aim is to ensure that all development contributes to the provision of **high quality green and open spaces** and, where appropriate, to environmental enhancement and/or stewardship of environmental assets. Beyond this, strategic investments in green infrastructure and environmental enhancement and management are required in certain areas identified in chapter 5.

4.14. Mitigating, and adapting to the impacts of, climate change is of fundamental underpinning importance. We expect all new development to meet high environmental standards (e.g. for housing, at least Code 4 for sustainable homes) and to be designed sustainably (e.g. so as to minimise the need for travel by car). For existing housing and business premises, retrofitting for energy and water

efficiency is essential as is investment in public transport to encourage modal shift away from the private car. Selective investments in infrastructure to support adaptation to climate change (e.g. flood defences and urban drainage infrastructure) are also necessary.

Regeneration and renewal

4.15. As outlined in previous chapters, parts of the NCHM3 area suffer from multiple deprivation and/or poor quality housing stock. In those areas, therefore, developments and investment that support regeneration and renewal are a particularly high priority. The range of other priorities and criteria (such as high quality design, provision of affordable housing, infrastructure investment, etc) all, of course, apply equally to developments aimed at regeneration and renewal.

4.16. Furthermore, high priority is given to developments on previously developed or derelict land and/or that make better use of existing assets. For example, initiatives to by rehabilitate or redevelop voids and/or redevelop underused sites such as garages

Respecting the built and cultural heritage

4.17. We are proud of the high quality urban and built environments to be found across the NCHM3 area. With well known highlights such as the cathedral city of Winchester, the historic market towns of Petersfield and New Alresford and the picturesque villages of St Mary Bourne, Wherwell, Hartley Wintney and East Meon, there is just cause to value our heritage. But there are other, more unusual historic features, the Victorian military town of Aldershot (the statue of the Duke of Wellington, the Prince Consort Library and the Beaumont Riding School are fascinating landmarks), the Sandham Memorial chapel at Burghclere (which contains outstanding examples of the work of Stanley Spencer) and the modest Eel house over the river at New Alresford, are just a few examples. However, much as we treasure old buildings we need to look to the future and build upon our inheritance to maintain and create places in which people want to live, work and play. A high priority, therefore, is proactively and intelligently to manage development to preserve and enhance these sensitive environments.

4.18. Historic buildings, whether town houses, churches, cottages or farm buildings are found throughout this area. It is these buildings, along with their interrelationship with the landscape, that underpin the local distinctiveness which is so important for a positive 'sense of place' and in turn contributes to our national, local and community identity. Being so much more than just a visually attractive backdrop, the historic environment can support the regeneration and sustainable economic and social development of communities and contribute to the delivery of housing, education and community cohesion objectives. Although built heritage is a

key part of the tourism offer of the area, it is something that enhances the daily lives of everyone living and working here.

4.19. Through a proper understanding and appreciation of the built inheritance and the application of good design principles we will be able to accommodate appropriate levels of development without damaging that which we value. Our settlements will be able to evolve to ensure that the necessary facilities are provided.

4.20. In all areas this should go beyond simply the architectural quality of new developments (important though that is) and should encompass design features that enhance sustainability, help mitigate climate change and which contribute overall to the quality of places (including through the provision of high quality community, leisure and public service facilities). In all areas a particularly high priority will be placed on design which enhances local distinctiveness.

Deliverability

4.21. In addition to the outcome/policy-based investment priorities described above, a critical consideration when prioritising investment in developments is deliverability, including viability. Given the urgent need for the investments described in the LIP, it makes no sense, and represents poor value for money, to have large amounts of funding tied up in allocations to developments which are unlikely to deliver or which could be significantly delayed. Priority will, therefore, be given to schemes which are deliverable both in terms of overall viability and which have secured the necessary permissions and supporting investments.

4.22. We have therefore also included in our analysis of the development pipeline indicators of deliverability such as whether a development has planning permission, whether the necessary supporting investments (e.g. in infrastructure) are in place, and intelligence gathered by local authorities from discussions with developers, RSLs and other partners.

4.23. However, we do not want these considerations to skew investment too much into short term, often small scale developments which by their nature can often offer greater certainty. If these become dominant in the investment portfolio, it can lead to fragmented and incoherent investment with key strategic policy priorities not being achieved. Often strategic/large scale developments require a higher level of confidence that public sector funding (e.g. for affordable housing) will be available into the medium/longer term. Getting the right balance between these two types of development is, therefore, critical and may shift over time (e.g. investment in small scale opportunistic development may be essential in the short term to aid economic recovery with the balance shifting over time to larger scale, multi-phase developments).

4.24. The importance of deliverability and viability must, therefore, also be balanced against the need for medium to long term certainty in funding for strategic developments and infrastructure investments. Chapter 6, therefore, outlines our proposal for a twin track funding regime that comprises a response strand of funding and a longer term strategic strand with flexibility to manage delivery risk by switching funding between the should circumstances change .

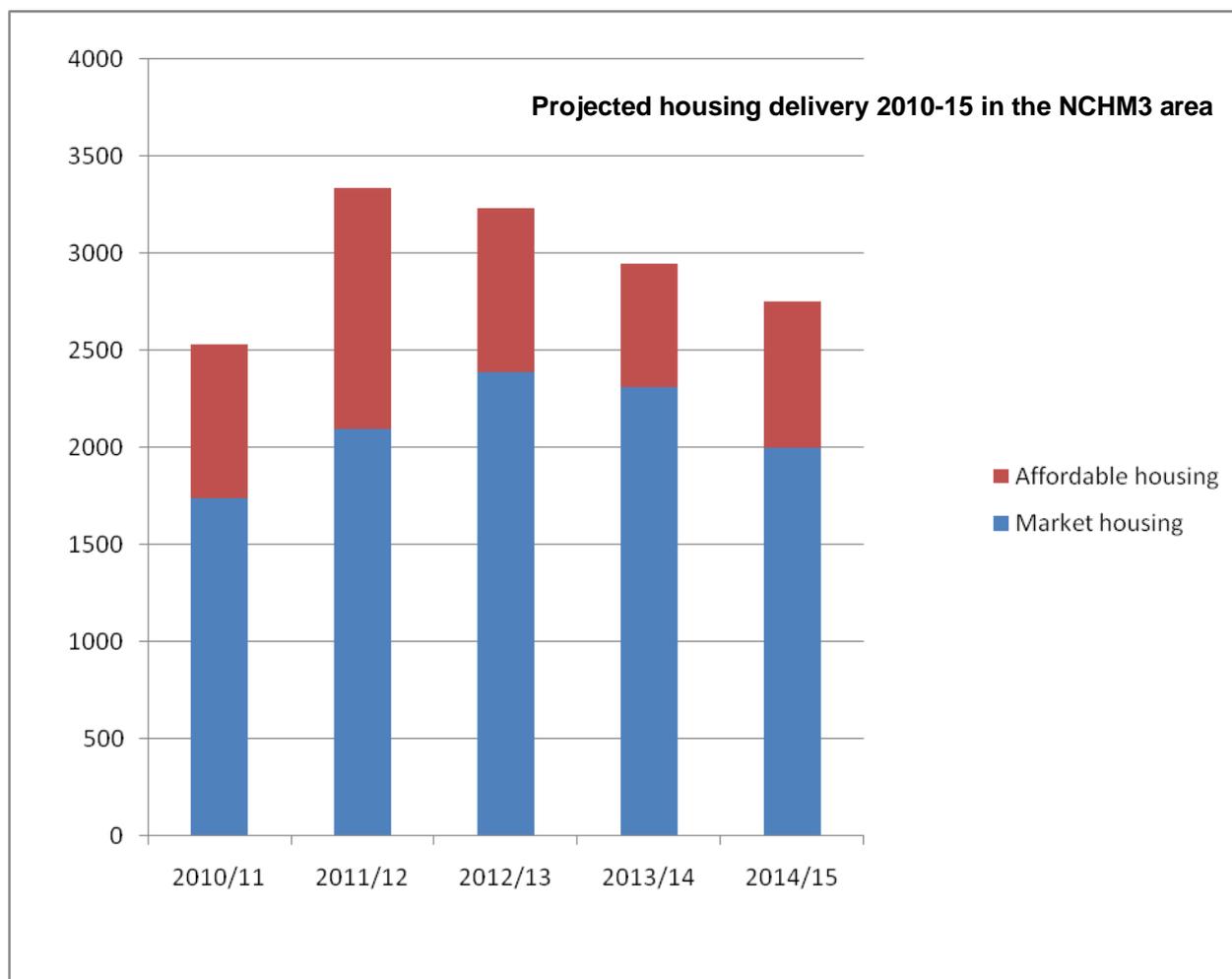
The NCHM3 housing development pipeline

4.25. The Annex 1 to this LIP provides a matrix analysing the larger housing development sites currently in the pipeline in the NCHM3 area. Only sites expected to deliver more than 50 dwellings are listed individually with aggregate figures provided for smaller sites. However, it should be noted that smaller sites account for a significant proportion of total housing delivery across the NCHM3 area and in some authority areas for the majority of dwellings delivered. This is particularly the case for rural housing delivery. Furthermore it should be noted that windfall and other sites will be allocated through local development documents in the coming months and years and therefore this matrix will need to be regularly updated. It is important, therefore, that a funding allocation is made for smaller and windfall sites in proportion to the quantum of total delivery expected from these sites.

4.26. The sites identified in Annex 1 have been analysed for their delivery trajectory, deliverability indicators, funding requirements and the policy drivers/outcomes they will deliver against. These broadly read across to the investment priorities. This, together with other information provided by partners, has also been used to determine forecast delivery trajectories for all housing and affordable housing in the NCHM3 area over the next 5 years as shown in the chart below.

4.27. In addition, a table providing basic information on forthcoming significant employment sites in the NCHM3 area is also provided at Annex 2 (those with planning permission for over 1000m² or of 0.4 hectares if allocated but without planning permission).

4.28. It should be noted, of course, that, particularly in current market conditions, circumstances can change rapidly and these annexes will require regular (most likely annual) updating.



Prioritisation

4.29. In our view it makes no sense to produce a fine grained prioritised “ranking” of all the sites in the development pipeline both due to the volatility of the current market and, more particularly, because different developments deliver different outcomes and such a rigid ranking approach might well deliver perverse outcomes.

4.30. Our approach to prioritisation, therefore is to categorise the housing developments currently in the pipeline using a simple matrix of three criteria: fit with strategic priorities; deliverability and contribution to wider objectives:

	Fit with strategic priorities	Deliverability	Contribution to wider objectives
Score 3	Makes a <u>significant</u> positive contribution to four or more of the five strategic investment priorities AND has no detrimental effect on any of the others.	Scheme has a <u>high level of certainty</u> in delivery e.g. most or all of the following are true: <ul style="list-style-type: none"> • site allocated in local development framework • planning permission granted and section 106 signed • development partners fully in place • other funding mostly or wholly in place • financial appraisal complete and shows a viable development • construction or enabling works commenced 	The District and County Councils in whose area the development will take place considers the development makes a <u>substantial</u> contribution to multiple wider objectives in their Sustainable Community Strategies – i.e. beyond the five strategic investment priorities (e.g. health, community safety, etc).
Score 2	Makes a <u>significant</u> positive contribution to two or three of the five strategic investment priorities and would have no detrimental effect on any of the others.	Scheme has a <u>reasonable level of certainty</u> in delivery (e.g. only some of the statements above are true) but some significant risks remain.	The District and County Councils in whose area the development will take place considers the development makes a <u>significant</u> contribution to one or more wider objectives in their Sustainable Community Strategies.
Score 1	Makes a <u>significant</u> positive contribution to only one of the five strategic investment priorities OR contributes to more than one strategic investment priority but those positive contributions have to be balanced against a detrimental impact on one or more other priorities.	Scheme has <u>significant uncertainties/risks</u> over delivery (e.g. few, if any, of the statements above are true).	The District and County Councils in whose area the development will take place considers the development makes only a <u>limited contribution</u> to wider objectives in their Sustainable Community Strategies.

4.31. Within this scoring matrix an over-riding priority is given to schemes that are under construction and/or are large multi-phase sites where the early phases of the development are complete or underway; where there is a planning permission and the identity of the development partner is clear. These schemes have been classified as Level 1a priority.

4.32. In addition, some schemes, unlikely to delivery housing completion before 2014 need also to be a high priority where support is needed to bring these developments to market (e.g. consultancy support from ATLAS) and/or enabling infrastructure investment is required prior to 2014. These schemes have been classified as a Level 1b priority. The table below summarises how scores from the matrix above together with this additional criterion are added together to produce the prioritisation bands:

	Description	Total score
Level 1	Development is a high priority for early investment.	8 or 9
Level 1a	Sites already under construction and/or large multi-phase developments where the early phases of are complete or underway; there is a planning permission and the identity of the development partner is clear.	See paragraph 4.27
Level 1b	Large scale housing or mixed use development, not likely to deliver completions before 2014, requiring support and/or infrastructure investment prior to 2014.	See paragraph 4.28
Level 2	Development is a high to moderate priority for investment in the medium term and will become a high priority for early investment once remaining risks are mitigated/eliminated. OR Development is currently a medium priority for early investment.	5, 6 or 7
Level 3	Development is a currently medium to low priority for investment and its prioritisation level should be periodically reassessed e.g. as progress is made to mitigate and/or eliminate risks.	3 or 4

4.33. The resultant prioritisations are show in Annex 1 within the matrix of sites in the development pipeline.

Further criteria

4.34. Beyond the prioritisation of sites using the above framework, to secure HCA funding all sites currently need to demonstrate:

4.34.1. value for money for the level of investment requested. This will require early and continuous dialogue with HCA, particularly for large or complex developments during which HCA is likely to require more detailed information about the site in question (a summary of which is included at appendix 2) to satisfy itself both on value for money and deliverability;.

4.34.2. that they meet minimum design and sustainability criteria through Code for Sustainable Homes Level 4 and Building for Life Silver Standard;

4.34.3. an appropriate amount of, and confidence in securing, other funding contributions; and

4.34.4. that appropriate steps have been taken to meet statutory obligations for race, gender and disability equality including how housing and associated needs of specific groups identified in diversity strategies and the HCA's Single Equality Scheme, Diverse Interventions have been met.

Reallocating resources

4.35. The use of prioritisation levels or bands in the way described above is also intended to guide decisions on switching and substitution where a high priority site, allocated funding, is delayed for whatever reason and the funding needs to be redirected to an alternative development. The intention is not that the funding should simply be redirected to the next scheme in the priority list (hence why a detailed prioritised list has not been attempted), but rather an alternative should be selected for funding that is in the same level of prioritisation and which will deliver a similar range of outcomes (where possible in the same location or local authority area). This will require a dialogue between HCA, local authorities in the NCHM3 area and RSLs. Reallocation may sometimes require that funding freed up by slippage in a large, strategic scheme would be redirected to small opportunistic developments to maintain delivery. When this happens the balance should be readdressed in future years' funding to ensure continued confidence for developers of large, strategic developments.

5. Place making

5.1. Place making is an holistic approach to development in a particular settlement or locality. Building on the development pipeline information and investment priorities, we have considered further for key localities the planned priority developments and infrastructure requirements to produce a high level place making description for the locality. Taking such an holistic approach, and aligning funding and investment in this way will ensure more efficient investment through coordination of public and private spending and, ultimately, deliver better, more complete places.

5.2. We have selected thirteen key localities to be considered using this approach based on the significance of their contribution to the local economy, the scale of change they are likely to undergo in the next 5-10 years (relative to their current size) and the significance of the settlement for the wider area, including their rural hinterland:

- Aldershot
- Alton
- Andover
- Basingstoke
- Camberley
- Deepcut
- Farnborough
- Fleet
- Liphook
- Petersfield
- Whitehill and Bordon
- Winchester
- Rural housing across the NCHM3 area.

5.3. Each is summarised in the following commentary and diagrams, which illustrate the essential linkages between, for example, housing infrastructure, employment and regeneration in each location. We will work with all stakeholders to build support for channelling funding according to this place making agenda.

5.4. It should be noted, of course, that these place making diagrams and their supporting commentary reflect a snapshot in time and flexibility is needed to respond to changing circumstances and to ensure windfall opportunities are not missed.

Aldershot

5.5. Aldershot lies in the south of Rushmoor Borough and is home to 37,000 people, including the military town to the north. Aldershot's key strengths include good communications and its location in the prosperous Blackwater Valley. It enjoys recognition as the home of the British Army, which has influenced much of its character and provided extensive civilian job opportunities, the influence of which will continue to grow with the roll out of the "Super Garrison" (as an administration centre for around 9,500 soldiers in a number of nearby campuses including Deepcut, Minley, Pirbright, Sandhurst, Arborfield and Bordon). Large areas of military training land surround the urban area contributing to the green character of the town, complemented by parks and nature reserves.

5.6. Aldershot faces challenges relating to its image and, in some parts, issues of deprivation: two wards, North Town and Heron Wood, contain pockets of multiple deprivation (in the 20% most deprived in England). Key challenges include:

- the development of Aldershot Urban Extension (AUE) on former military land to the north of the town centre to create a mixed use development including 4,500 new homes;
- the development of Aldershot Garrison as a Super Garrison; and
- partnership working to deliver the regeneration of Aldershot town centre and improvements in areas of deprivation.

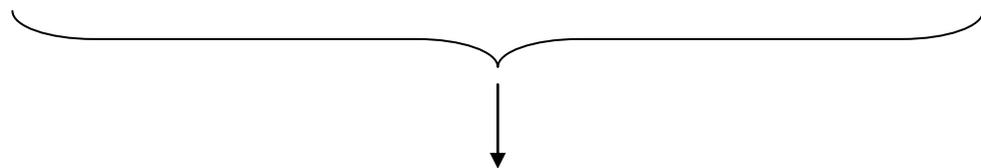
5.7. The town centre provides a mix of sizes and types of employment units. The area has a high office vacancy rate, even for recently refurbished stock, a proportion of vacant retail units, some areas of poor quality environment and a complex pattern of traffic circulation. The retail function of the town centre will be strengthened by a mixed use leisure and retail regeneration scheme on the "Westgate" site with proposed leisure uses that will add to that offered by Princes Hall. A Town Access Plan is about to be finalised by the County Council to include measures to improve accessibility within the town and to and from surrounding residential areas.

5.8. Aldershot is a more successful location for industrial uses. These are concentrated to the east of the town centre, and this area is characterised by a variety of employment types including light/general industrial, storage and distribution, and some vehicle repair and sales. The most successful office development is the Royal Pavilion, a fully-occupied modern office and R&D development, but this is located outside the built up area.

5.9. 150 hectares of surplus military land to the north of the town centre has been identified for a mixed use development including around 4,500 new homes and a range of social, physical and green infrastructure (Aldershot Urban Extension).

*Strategic infrastructure**

Household waste recycling centre at AUE	2 primary schools at AUE Community facilities at AUE	Town centre improvements including Station Gateway and Hippodrome House: transportation improvements to enhance the pedestrian environment and improve accessibility.	Transport schemes arising from M3 corridor and East of Aldershot studies and the Aldershot Town Access Plan. Potential improvements at Rail Station	Runways End outdoor activity centre SANG, open space and allotments provision at AUE
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Aldershot

*Strategic developments**

	Aldershot Urban Extension	Westgate	North Town
Short term (2009-2015)	400 homes	3200 m ² cinema 2560 m ² A3, A4, A5 units 7550 m ² foodstore 91 bed hotel	470 homes
Medium term (2015-2020)	1750 Homes	Nil	200 ²⁵ homes
Long term (2020-2030)	2350 Homes	Nil	Nil
Total	4500 homes (employment provision to be determined)	13,310 m ² + hotel	670 homes



*Other outcomes**

Surface Water Management Plan developed with partners in NE Hampshire	Green Infrastructure Plan prepared with Blackwater Valley authorities	Improved town centre offer and accessibility.	Improved housing choice and affordability	Employment and investment opportunities	Reduced incidence of deprivation and exclusion
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* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

²⁵ Subject to planning permission

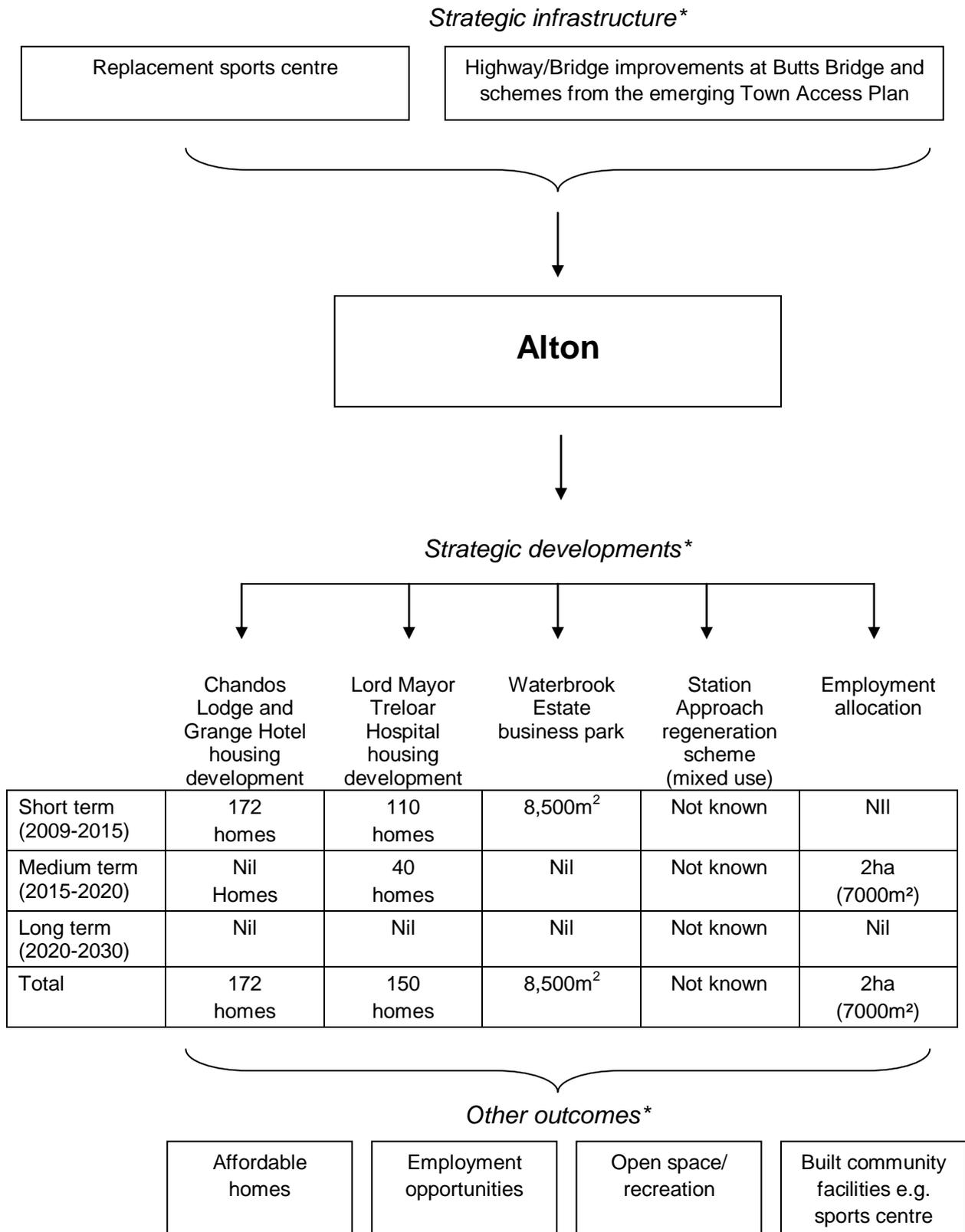
Alton

5.10. Alton is an important market town in East Hampshire and, along with Petersfield, is at the top of the settlement hierarchy in the district. It is well established and has a wide range of shops, schools, jobs and community facilities. It is the largest town in the district in terms of population (currently 17,000) and acts as a hub providing commercial and community uses for not only the town but also nearby villages. Alton will remain one of the main focuses of development in the future in the northern part of the district with many of the small rural villages and hamlets continuing to depend heavily on Alton's continued success as a market town.

5.11. Alton is easily recognisable as a market town set in a rural landscape with an attractive historic centre. It lies in the valley of the River Wey with high ground constraining development to the north and south leading to expansion of the town to the east and west on the lower lying areas.

5.12. Alton station has been identified by the Alton Town Design Statement and Alton 2020 Vision document as an area in need of regeneration and upgrading. The vision is to create an impressive approach to the station and its surroundings, along with an integrated transport interchange, new station building and a high quality vibrant square lined with a mix of uses including some residential development.

5.13. The Lord Mayor Treloar Hospital housing site development has been delayed by infrastructure costs which involve highway and bridge improvements. These works have had an impact on the viability of the development. A developer led scheme has been proposed which involves the development of additional housing and employment land to improve development viability.



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Andover

5.14. Andover, in the north of Test Valley Borough, is a historic market town of 40,000 people, set in an attractive chalk downland landscape and serving an extensive rural hinterland. The landscape is of a high quality: the North Wessex Downs AONB lies to the north east. Since the town's planned expansion in the 1960s, the local economy has grown steadily. Compared to other Hampshire towns, it has a relatively self-contained labour market. There are good transport connections, particularly to the national road network and rail links to London.

5.15. The level of facilities supported by the town and its catchment (of about 70,000 people) reflects the town's planned development. Some parts of its infrastructure, notably the road network, compare well with similar sized 'older' towns, but the range of shops, facilities and some other services fall below that which might be expected of a town of Andover's size.

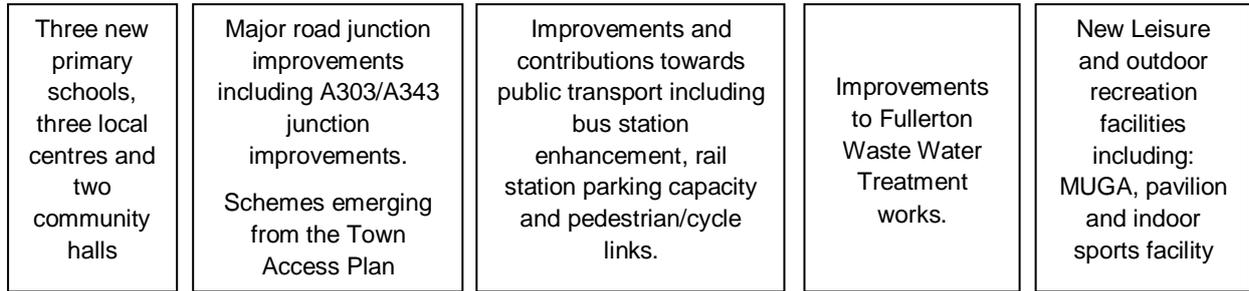
5.16. The town's relative self-containment makes the success of local firms and the establishment of new ones to replace declining activities, essential to avoid long distance commuting to jobs elsewhere. This means creating an environment in which firms in new sectors want to locate and expand, as well as where established firms can flourish. People need to be encouraged both to live and work in the area, which means promoting an attractive environment and a good range of local housing, education, health, leisure and other facilities. The Andover Vision partnership has been established to take forward a 20 year plan to improve the town.

5.17. Significant new development is proposed including; 3,700 homes, 57ha of employment land and recreation facilities. Planning permission has been granted for residential development at the new communities of East Anton and Picket Twenty and for employment at Andover Business Park. These form part of major growth over the next twenty years which will increase the population to over 50,000.

5.18. Whilst generally affluent the town contains areas of relative deprivation particularly in Alamein and St Marys wards in the domain of education and skills. Objectives for future action for the town include:

- Retain and enhance its landscape and character of adjoining villages.
- Provide new housing opportunities.
- Maintain the high degree of self-containment.
- Enhance the role of the town centre.
- Enhance the range of leisure and cultural facilities.
- Improve access to facilities and promote non car modes of transport.
- Enhance the education and skills levels in the population.
- Promote healthy living.
- Promote a quality of life undiminished by crime.

*Strategic infrastructure**

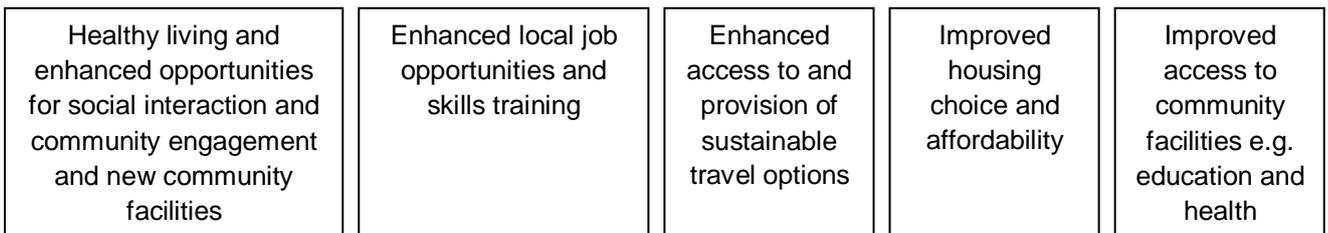


Andover

*Strategic developments**

	East Anton (East of Icknield Way)	Picket Twenty	Andover Business Park (Andover Airfield)
Short term (2009-2015)	875 homes	550 homes	80,000 m ²
Medium term (2015-2020)	1000 homes	500 homes	63,000 m ² plus hotel
Long term (2020-2030)	625 homes	150 homes	Nil
Total	2,500 homes	1,200 homes	143,000 m² B1, B2, B8 plus hotel

*Other outcomes**



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Basingstoke

5.19. Basingstoke and Deane's current population is around 165,000 (2010), and this is forecast to rise to 172,000 by 2016. The urban area of Basingstoke has a population of around 105,000 people. Basingstoke has had historically high levels of development and population growth. As a result it has benefitted from investment in infrastructure, facilities and amenities as well as substantial business and economic growth. Nonetheless, this infrastructure is under increasing pressure and considerable further investment is needed to sustain the current population and if further development is to be sustainable. This includes:

- 5.19.1. Investment in local transport infrastructure, strategic transport links and public transport in particular – both in the urban and rural areas. Some areas of Basingstoke have a surprisingly high proportion of residents who do not have access to a car. For Basingstoke and the services and facilities within it to be fully accessible, transport links around the borough and to the rural areas is a key issue.
- 5.19.2. A strategic approach to regeneration of the town centre (The Malls) Basing View, the Top of Town, and some residential areas giving high priority to the environment both through the quality of the development (visually and in terms of resource efficiency), mixed use and through investment in public open spaces and the public realm.
- 5.19.3. Investment in Basingstoke and North Hampshire Hospital which has a strategic function beyond the catchment of the borough.
- 5.19.4. Key strategic water infrastructure – pipe network and sewage treatment work capacity; comprehensive broadband provision – to support business, education and social inclusion; and capacity, locations and fabric of local schools.

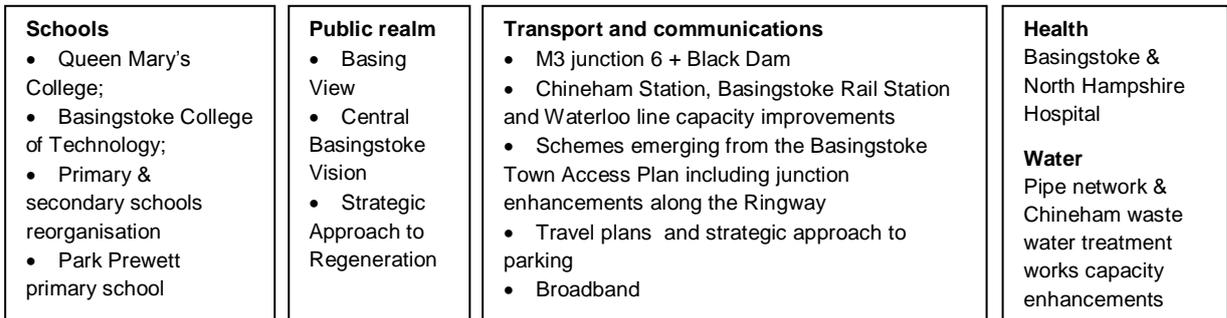
5.20. Residents generally enjoy a high quality of life but the town faces a number of significant challenges including:

- there are areas of relative deprivation around the town;
- even in the short term, there is likely to be a marked increase in the number of residents reaching retirement age; and
- despite decreases in house prices as a result of the recession, the cost of market housing remains high resulting in many households unable to afford owner-occupation. Consequently, there is increasing demand and need for a wide range of housing and tenure types.

5.21. It is fundamental that homes are provided in a co-ordinated manner alongside new employment opportunities to ensure that the borough's economy can continue to prosper and to avoid the impacts of increased levels of commuting associated with the availability of jobs in the borough and the relative shortage of employees. The high level of self-containment and diversity of the local economy are among the town's strengths.

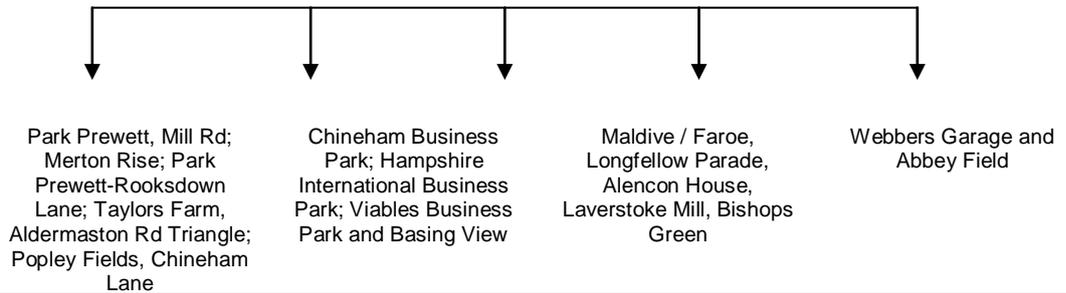
5.22. The natural environment, historic heritage and local distinctiveness of many of areas the town and borough are a natural asset. It is important for Basingstoke and Deane to embrace "smart" growth, sustainable construction, renewable energy and ensure impacts on the natural environment are taken into account in assessing potential development.

*Strategic infrastructure**



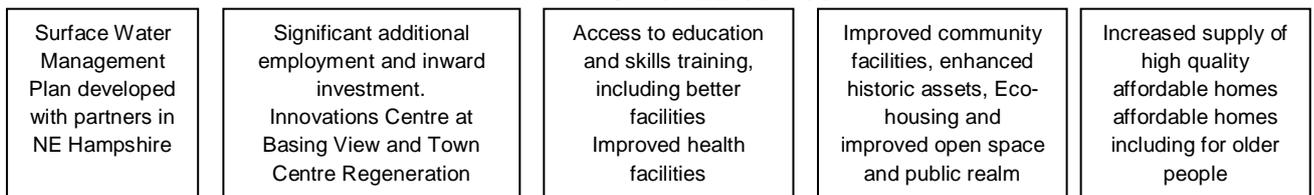
Basingstoke

*Strategic developments**



Short term (2009-2015)	2164 homes	117,790 m ² + 7.09 ha	460 homes of which 231 affordable	103 homes – either extra care / sheltered 10 supported housing
Medium term (2015-2020)	1056 homes		Nil	Nil
Long term (2020-2030)	Medium and long term delivery is subject to the emerging Core Strategy and other local development documents and is likely to include further strategic sites. These will be included in future revisions of the LIP.			
Total	3220 homes	34, 178 m ² 7.09 ha	398 homes	113 homes

*Other outcomes**

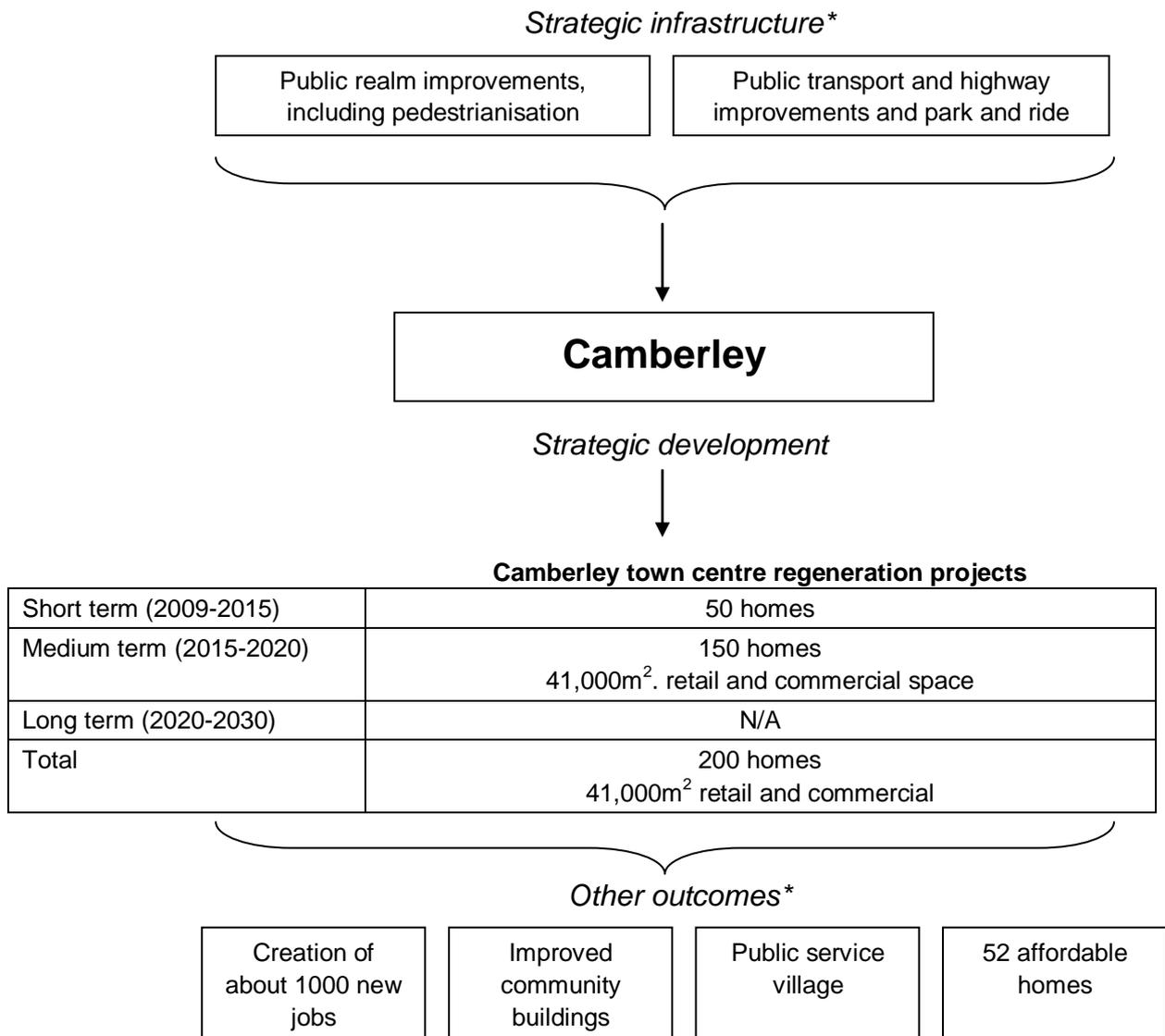


* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Camberley

5.23. Camberley town centre is identified in Surrey Heath Borough Council’s (SHBC) emerging Core Strategy as a strategic location for growth consistent with its role within the South East. The town centre regeneration project is focussed primarily on two key redevelopment sites which will bring forward new retail, housing and community use developments. SHBC has published a Camberley Town Centre Area Action Plan and has undertaken widespread stakeholder and community engagement.

5.24. The key challenges focus around making the best of Camberley’s location, to optimise sustainable transport solutions and to provide a vibrant and sustainable town centre for the benefit of the wider community. An integral part of the continued regeneration of the town centre will be additional housing development.



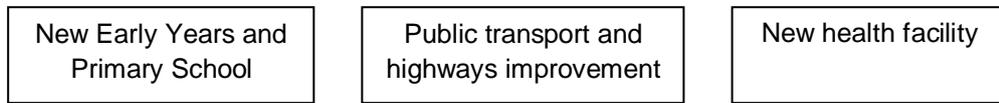
* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Deepcut

5.25. Deepcut is a small rural community on the edge of the larger built up area of Camberley, Frimley and Frimley Green. Princess Royal Barracks, is the home of the Royal Logistics Corps which is due to relocate away from Deepcut from 2013. The site has potential for about 1200 new homes (420 of which will be affordable), together with new retail, employment, school and community/open space uses. Surrey Heath Borough Council, with assistance from ATLAS, has undertaken extensive technical work with Defence Estates to support the identification of Deepcut as a strategic location for development within the Borough Council's emerging Core Strategy. The site will bring forward its own Special Protection Area mitigation, in the form of SANGS (Suitable Accessible Natural Green Spaces).

5.26. The key challenges for Deepcut are to optimise the sustainability of the location and to create a new community for Deepcut Village as opposed to focussing solely on the development of the site to be released by the Ministry of Defence. Extensive community engagement has already been undertaken including community engagement days which have refined a vision and objectives for the planned community, which is to be the basis for a more detailed master plan for the site. A planning application is expected to be submitted during the 2010/11 year.

*Strategic infrastructure**



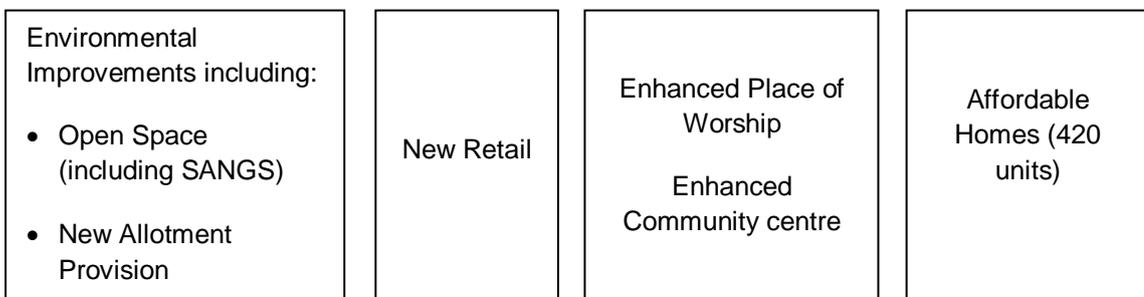
Strategic development



Deepcut strategic location for development

Short term (2009-2015)	0 homes
Medium term (2015-2020)	500 homes
Long term (2020-2030)	700 homes
Total	1200 homes Plus 9,000 m ² of retail and commercial ²⁶

*Other outcomes**



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

²⁶ The employment floorspace requirements for this development remain under development and therefore this figure is only estimates at this stage.

Farnborough

5.27. Farnborough lies in the north of Rushmoor Borough and is home to 59,000 people with 280,000 people within a 15 minute drive time catchment area. It is well served by public transport with a high speed rail link to London and the south coast, and is well placed for quick access to the motorway network. The town is home to a number of major hi-tech employers including international companies such as Nokia, QinetiQ and BAE Systems. It has strong higher education facilities in the form of Farnborough College of Technology and the Sixth Form College.

5.28. Farnborough is also known as the birthplace of flying and Farnborough Airport, the UK's first airfield, is now the UK's only dedicated business aviation airport and home to the internationally renowned biennial International Airshow. The close proximity of the Army in Aldershot results in notable areas of training land within easy reach of the urban area.

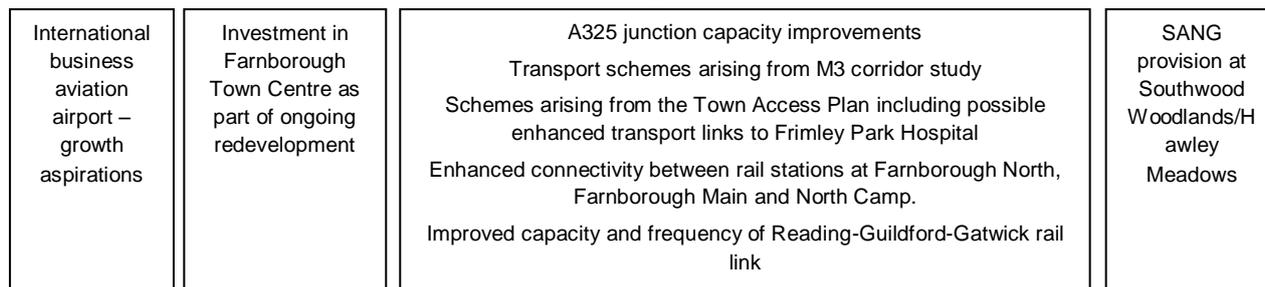
5.29. Farnborough's key strengths include its affluent catchment population within the prosperous Blackwater Valley and the presence of major companies within and around the town centre. It is a particularly successful office location, with a high concentration of knowledge-based industries, mainly in the defence, aerospace, computing, and the finance, banking and business services sectors. The town's largest and highest quality office location is Farnborough Business Park on the edge of the Airport, which is currently only partly constructed but has outline consent to provide 155,000m² of B1 floorspace.

5.30. The town benefits from the presence of major food retailers within the town centre but lacks a broad range of multiple retailers and a large department store. This leads to a high level of expenditure leakage to competing centres.

5.31. Whilst generally affluent, Farnborough contains pockets of deprivation with areas in Mayfield containing small pockets of multiple deprivation. Key challenges for Farnborough include:

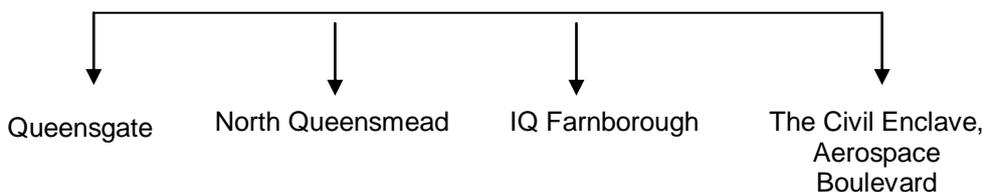
- Regeneration of the town centre
- Future changes in air traffic movements at Farnborough Airport
- Appropriate levels of employment and mixed use development
- Reducing social inequalities

*Strategic infrastructure**



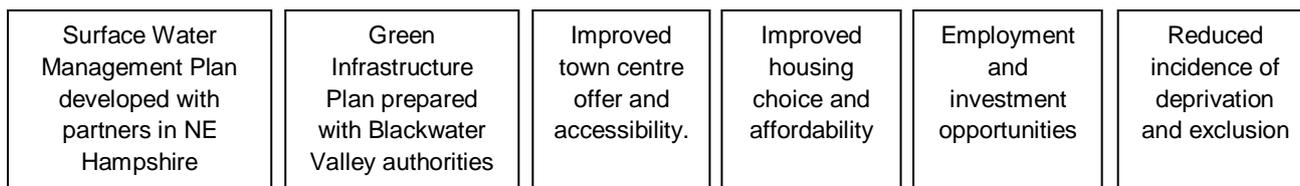
Farnborough

*Strategic developments**



Short term (2009-2015)	399 homes	ca 14,000 m ² of retail plus cinema	130,000 m ² of B1 (and ancillary uses)	32,000 m ² of B1 (and possibly B8)
Medium term (2015-2020)	Nil	Nil	Nil	Nil
Long term (2020-2030)	Nil	Nil	Nil	Nil
Total	399 homes	ca 14,000 m ² of retail plus cinema	130,000 m ²	32,000 m ²

*Other outcomes**



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Fleet

5.32. Fleet is the largest settlement in Hart District, with an estimated population of 31,870. Most of the town was developed in the 20th Century. While, Hart is the least deprived district in England, with one of the highest life expectancy rates, pockets of inequality in housing and health do exist within the district.

5.33. The town benefits from its location adjacent to the M3 and the main railway line to Waterloo. Investment in the transport network is required to reduce congestion and initiatives that support alternatives to the car are promoted.

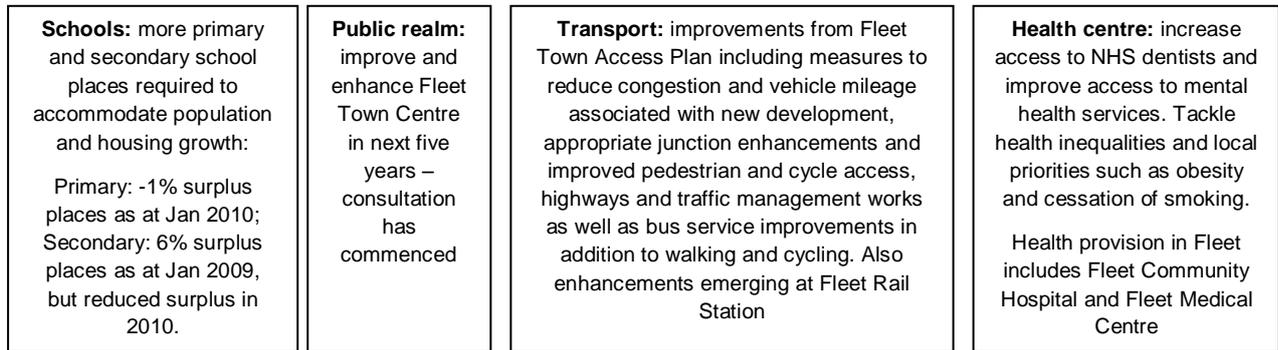
5.34. Fleet is the primary shopping centre in Hart, providing a variety of retail outlets. It provides a significant proportion of the District's employment opportunities. However, the present retail offer is limited and, although the town centre has a relatively low vacancy rate, it loses a high proportion of potential customers to other centres. The town centre also has a number of sites with potential redevelopment opportunities, including obsolete office blocks and areas of underutilised car parking. Town Centre regeneration plans are being drawn up to provide a modern, vibrant centre for the future, with improved retailing and public spaces.

5.35. Fleet has expanded over the past 30 years, through development at Ancells Farm, Zebon Copse and Elvetham Heath. The latter has only recently been completed and has a primary school, community hall, church and supermarket. Three strategic sites in the development pipeline will add over 1,500 new properties to the housing stock in Hart. Significant development is planned for Church Crookham in the next decade, as an outstanding allocation from the current Local Plan, which could provide approximately 1000 dwellings and supporting community infrastructure will be completed at the brownfield Queen Elizabeth Barracks site.

5.36. Fleet/Church Crookham is located in an area with an excellent natural environment. To the south and east of the town is a large expanse of the Thames Basin Heath Special Protection Area (SPA). To the north-east of the town, Fleet Pond is the largest fresh water lake in Hampshire. Designated as a Site of Special Scientific Interest (SSSI), it has a number of varied and rare habitats, and is home to many species of nationally and regionally scarce wildlife.

5.37. The working population of Fleet and Church Crookham, like Hart District, is strongly represented in professional roles and knowledge based industries. Out-commuting is significant, particularly towards London, the M4 corridor and Farnborough. Aside from the town centre, significant employment areas within the town include Ancells Farm, Waterfront Business Park and a cluster in Church Crookham which includes Redfield Industrial Estate. Additionally, the largest employment site in Hart, Pyestock Area A, is located between Fleet and Farnborough. The site has planning permission for commercial distribution use.

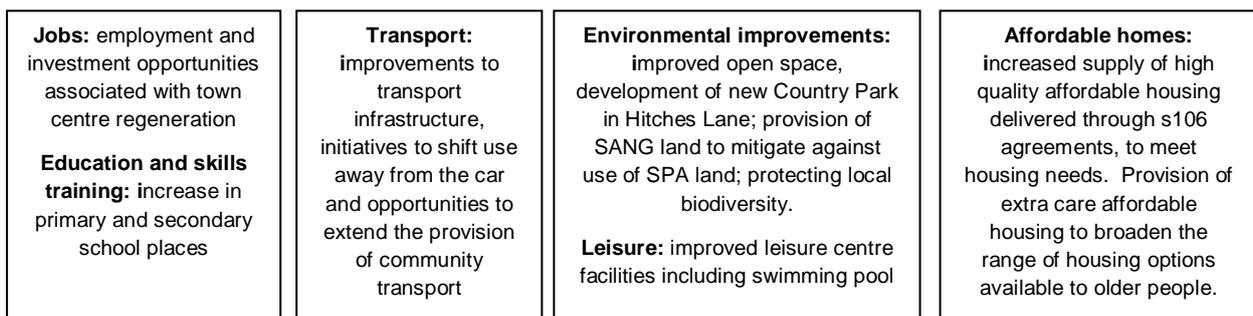
*Strategic infrastructure**



*Strategic developments**

	Hitches Lane, Dilly Lane, QEB	Campbell Close, Fleet
Short term (2009-2015)	1016 homes	74 extra-care affordable flats for older people
Medium term (2015-2020)	480 Homes	Nil
Long term (2020-2030)	Sites yet to be identified	
Total	1496 homes	74 (net gain:49) homes

*Other outcomes**



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Liphook

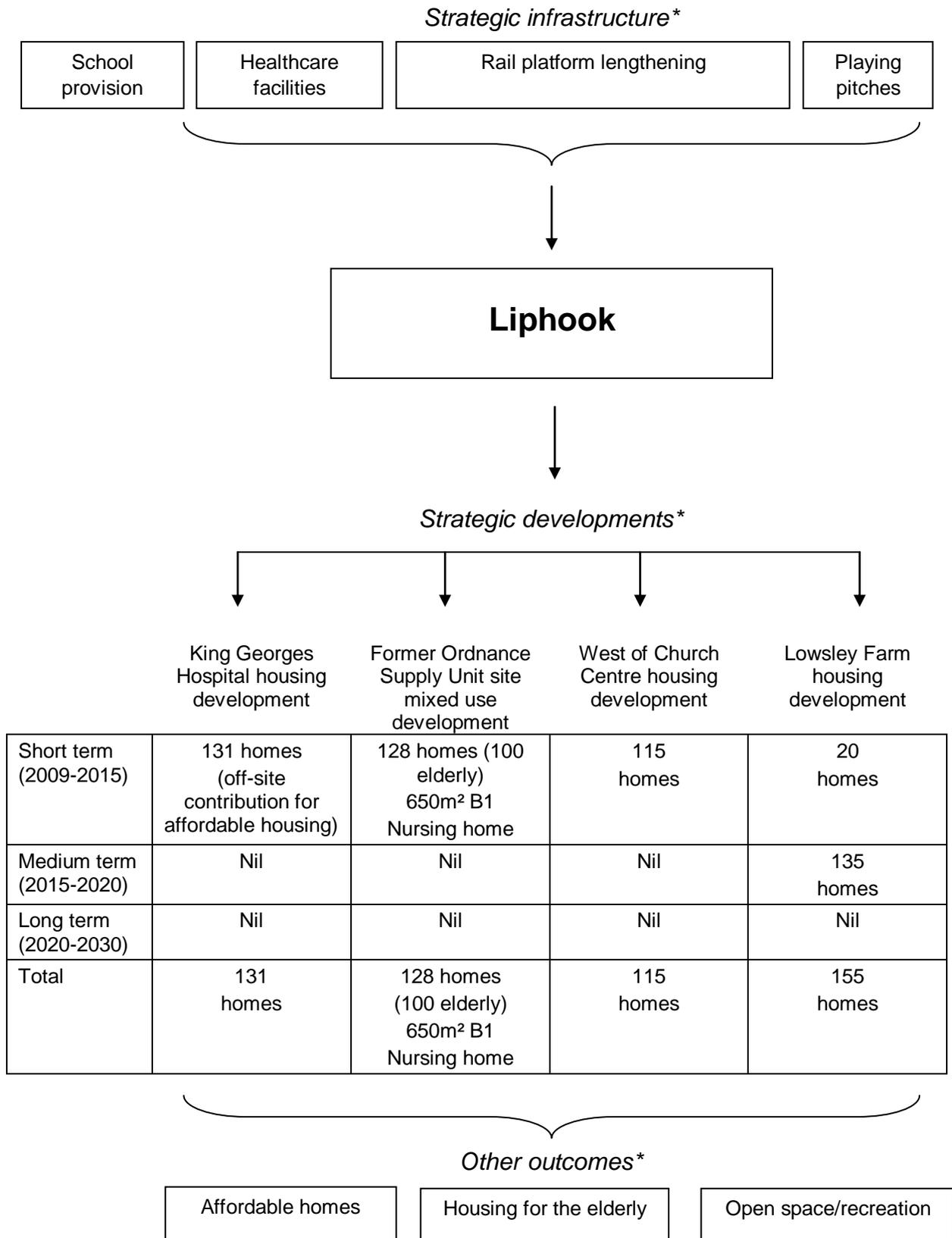
5.38. Liphook is identified as one of the most sustainable settlements in East Hampshire district with all the key services and facilities. It has a good range of shops, split between the The Square and Station Road, as well as a large supermarket. The main line railway station provides access to London, Guildford and Portsmouth. There is also easy access to the A3, as well as secondary, junior and infant schools.

5.39. Liphook is generally centred around The Square. Concerns include the protection and enhancement of the centre's historic character as well as enhancing the vitality and viability of its retail function, traffic management and car parking issues.

5.40. The boundary of the National Park lies to the west of the village. The heathlands of Woolmer Forest, Ludshott Common and Bramshott Common that form part of the Wealden Heaths SPA, are within about 1.5 km. To the north east of the village is the River Wey and its flood meadows are protected by the River Wey Conservation Area. Beyond the river, the site of the former King George's Hospital is being developed as a retirement village.

5.41. A total of around 600 homes, all of which could be developed in the short to medium term, is a substantial amount of housing for a village the size of Liphook so the impact on the community and facilities, particularly education and medical provision, will need to be monitored closely.

5.42. The former King George's Hospital site and the former Ordinance Supply Unit site have been granted permission for nearly 300 homes for the elderly. This is a substantial number and once again, the situation will need to be monitored to assess the impact on the community and services in Liphook.



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

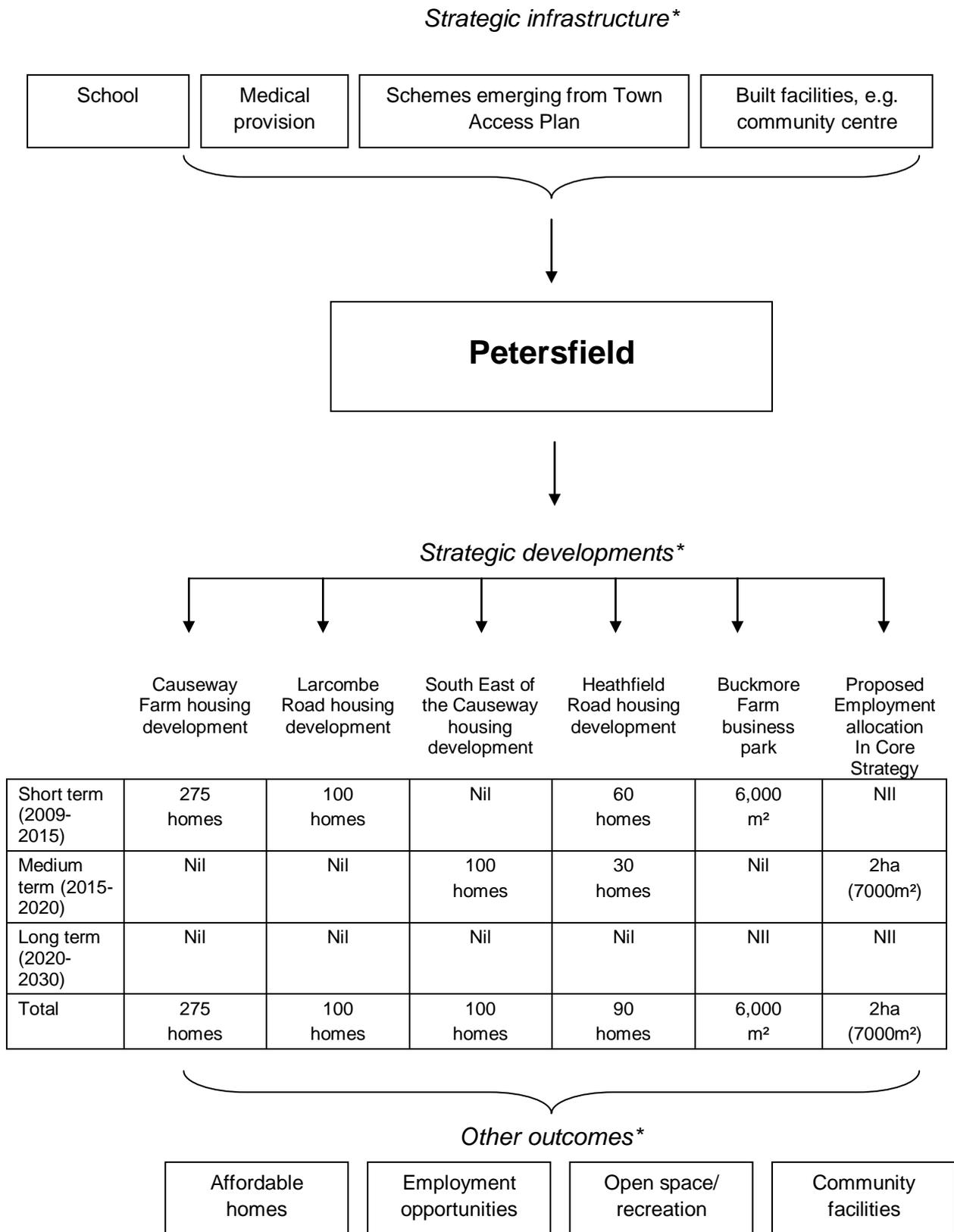
Petersfield

5.43. Petersfield is an important historic market town in East Hampshire. It provides a centre for shopping, services and facilities, as well as employment opportunities for the local community and residents from surrounding villages and hamlets. It benefits from a railway station with frequent train services to London and Portsmouth. There are good local bus services to other villages and hamlets. The nearby A3 reinforces the accessibility of the town and opens up routes from a wider area to the north and south.

5.44. The town is located in the South Downs National Park where the natural beauty of the countryside provides an important attractive rural setting to this distinctive, historic market town.

5.45. One challenge for the future will be to try to balance the nature of the landscape against the changing role of the town. There may well be pressure for Petersfield to take on more of a tourism role, to help open up the South Downs National Park to visitors and those seeking the benefits of the attractive nature of the surrounding countryside. At the same time, it is essential that both the historic core of the town and the natural setting in the wider area are protected. Balancing these considerations against the everyday needs and demands of the community will be challenging.

5.46. Four allocated reserve housing sites are located in Petersfield, a total of 565 homes. When considering any planning applications for the reserve housing sites the National Park designation will be an important consideration.



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Whitehill and Bordon

5.47. Whitehill and Bordon is one of the UK's first Eco-towns. This is an exciting opportunity to develop a sustainable settlement – a modern 21st century town that balances the needs of the environment with the needs of the community. It will put Whitehill and Bordon on the map, attract funding and investment and give the town a new sense of purpose.

5.48. The Ministry of Defence's decision to relocate armed forces training to South Wales creates a once in a lifetime opportunity for Whitehill and Bordon and the South East Region. Local people have long been calling for improved facilities and services and they recognise that the town will need to grow to attract the necessary level of investment.

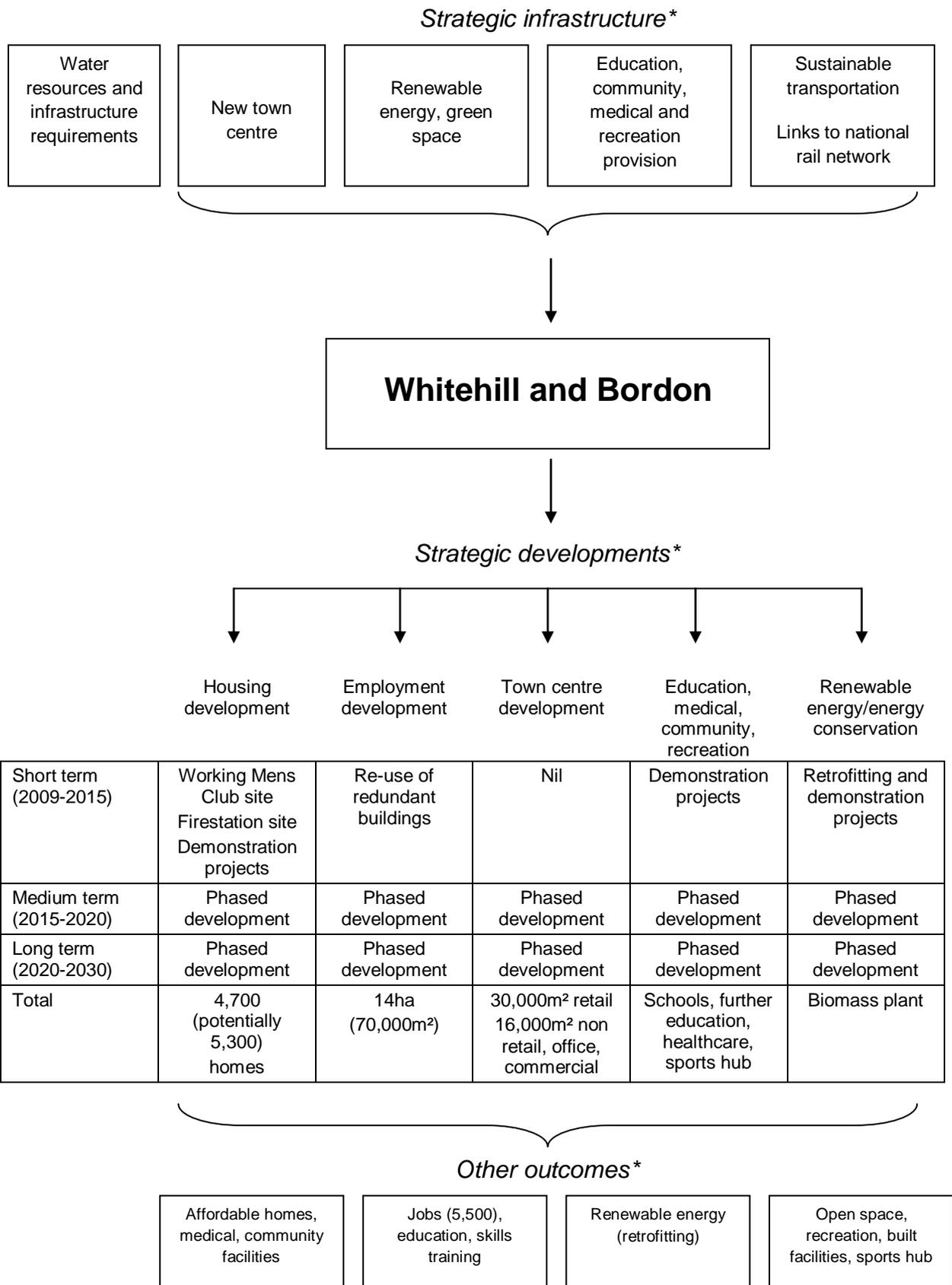
5.49. The MOD decision means that up to 258 hectares (600 acres) of land will be released in the years following 2014 when army training is scheduled to relocate. This is a mixture of brownfield and greenfield, MOD and County Council land.

5.50. The land releases will enable the construction of up to 5,500 homes, many of which want to be as affordable as possible. This will help drive investment in a new town centre that will bring the improved shopping, employment, leisure, town centre facilities and public transport that people need.

5.51. There are a number of European protected habitat sites (SPA's/SAC's) in the vicinity of Whitehill and Bordon. Any development will need to establish whether or not there would be any effects on the ecological integrity of these sites, particularly in respect of visitor activity and air pollution. One important avoidance measure will be to secure and deliver adequate areas of Suitable Alternative Natural Greenspace (SANGs) linked to the Whitehill and Bordon development. These SANGS will need to be fully operational before any occupation of the residential development. A detailed water cycle study is planned which will help inform water resources and infrastructure.

5.52. Achieving high levels of transport self-containment is also one of the guiding principles for an Eco-town.

5.53. A number of demonstration projects are planned. A series of mixed use sites are recommended to be brought forward for development in accordance with the funding agreement with the Department of Communities and Local Government. These demonstration sites have all been discussed and a way forward agreed with partner organisations. The pilot schemes will allow the testing of eco-development, as well as viability and demonstrate our commitment to the best quality, exemplary schemes. The conversion of the Firestation into a community building, the Eco Station and the first demonstration house are at planning stage.



* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Winchester

5.54. Winchester is the county town for Hampshire and a hub for a range of services and facilities. It is well connected, having direct access to the strategic road network as well as main line rail services to London and the south coast. One of Winchester's important features is its heritage and attractive landscape setting which have directed its role and function in recent years. The eastern settlement boundary adjoins the newly-designated South Downs National Park

5.55. It has a range of housing stock and in recent years infill development has exploited the brownfield capacity of the urban area as a result of the strategy of Local Plans to maintain Winchester within its physical boundaries. In addition to high house prices, the SHMA has highlighted the need for a significant amount of affordable housing in Winchester. This may require greenfield development to accommodate the amount of dwellings required and the associated infrastructure.

5.56. Winchester has a strong local economy focussing on the public sector (local government, health, police, prison service and higher education) and service based employment uses, with increasing emphasis on creative and knowledge industries. Due to high employment levels and house prices there is significant in-commuting to Winchester. The City faces a number of key opportunities and challenges as follows:

Opportunities

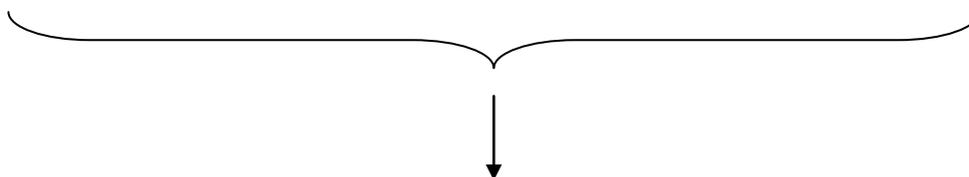
- Strong local economy, attractive environment and generally high quality local services
- Winchester is a gateway to the South Downs National Park
- Transport – Winchester is a compact city which should be able to promote more walking and cycling, linking people with the places that they wish to access.
- The promotion/encouragement of the knowledge and creative industries for Winchester to retain and improve its representation in these sectors of the economy.

Key challenges

- How to provide sufficient housing, particularly affordable, to improve sustainability by allowing people to live and work locally – given the existence of a number of public services whose workers commute in.
- Meeting the housing needs of families and older persons.
- Retaining the importance of the visitor economy through the cultural/heritage 'attractiveness' of the city both in terms of tourism and the night time economy.
- The provision of and maintenance of green infrastructure – the need to protect what we have and provision of more to encourage wellbeing and healthier lifestyles.

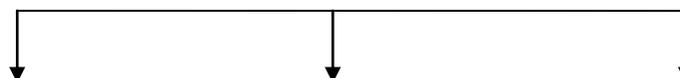
*Strategic infrastructure**

<p>Education</p> <ul style="list-style-type: none"> • Additional primary schools places for incremental growth. • Barton Farm: nursery/ Children’s Centre new 3 form entry primary school and additional land for Henry Beaufort secondary school. 	<p>Public Realm</p> <ul style="list-style-type: none"> • Silver Hill: High Street improvements • General shortfall of recreational space • Barton Farm: improvements to Andover Road 	<p>Transport</p> <ul style="list-style-type: none"> • Schemes arising from the Winchester Town access plan including measure to improve access to and within the City together with supporting traffic management such as rerouting of traffic (with associated air quality improvements). • improvements to A34 Junction and Junctions 9 -11 of M3, • Friarsgate bus contra flow and replacement bus station (Silver Hill) • Park and Ride • Rail station enhancements 	<p>Social infrastructure</p> <ul style="list-style-type: none"> • Silver Hill community space • Barton Farm: mixed-use community centre (660 m²) and public house <p>Health</p> <ul style="list-style-type: none"> • Barton Farm: Health centre (660 m²) and Gym (550 m^s) 	<p>Utilities and waste</p> <ul style="list-style-type: none"> • Improvements to Moorstead waste water treatment works. • Further improvements to Harestock waste water treatment works. • Barton Farm energy centre
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Winchester

*Strategic developments**



	Barton Farm (Strategic reserve site)		Silver Hill (regeneration scheme)		Other housing schemes (of 50+ homes)
Short term (2009-2015)	150 homes		100 homes		435 homes
Medium term (2015-2020)	1400 homes	2000 m ²	207 homes	3783m ²	294 homes
Long term (2020-2030)	450 homes		Nil		Nil
Total	2000 homes	2000 m²	307 homes	3783 m²	729 homes



*Other outcomes**

<p>Employment opportunities including retail</p>	<p>Education and learning opportunities including university provision and student accommodation</p>	<p>Green Infrastructure Public open space & sports provision. Town centre improvements</p>	<p>Increased supply of affordable and family homes and extra care facilities</p>
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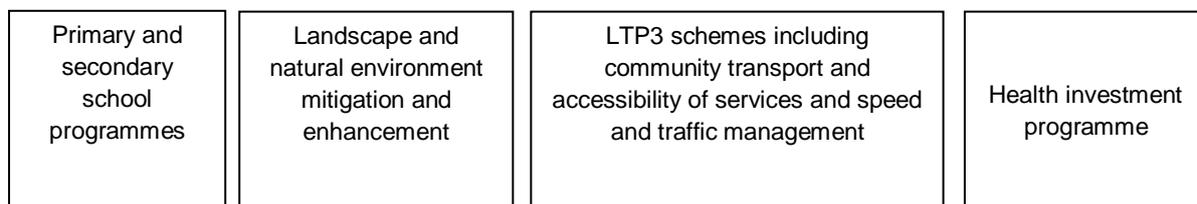
* These are not exhaustive lists. Other infrastructure, schemes and outcomes will be important to overall place making.

Rural housing

5.57. A large proportion of the population of the NCHM3 area live in rural settlements. While house prices vary, there is strong evidence that housing in rural areas is becoming increasingly unaffordable, particularly for first time buyers. Affordable housing supply is limited due to the low overall level of development in rural areas. The result is increasing migration away from rural areas, particularly for young people which in turn impacts on the viability of services and facilities in rural areas and is leading to a decline in the rural economy in many areas.

5.58. Therefore, investment in rural affordable housing and service in rural areas is a high priority, recognising the important environmental constraints in the NCHM3 area. Innovative approaches such as encouraging farm building conversions are being tested and investment in the health and vitality of market towns is an important priority. Accessibility is another key factor and features highly in the emerging Local Transport Plans with particular emphasis on road safety in rural areas and community transport services.

Strategic infrastructure



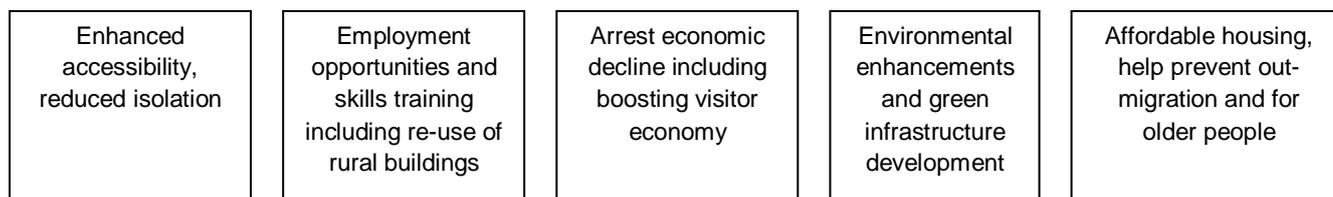
Rural Housing

Housing development

	Basingstoke and Deane	East Hampshire	Hart	Rushmoor	Surrey Heath	Test Valley	Winchester
Short term (2009-2015)	1448 homes of which 358 affordable	40 homes	9 homes	Nil	Nil	61 homes	55 homes
Medium term (2015-2020)	To be allocated through Core Strategy	40 homes	12 homes	Nil	500 homes	55 homes	54 homes
Long term (2020-2030)	To be allocated through Core Strategy	80 homes	Not known	Nil	700 homes	Nil	Nil
Total	1448 homes	160 homes	21 homes	Nil	1200 homes	116 homes	109 homes

Numbers do not include windfalls on unidentified sites

Other outcomes

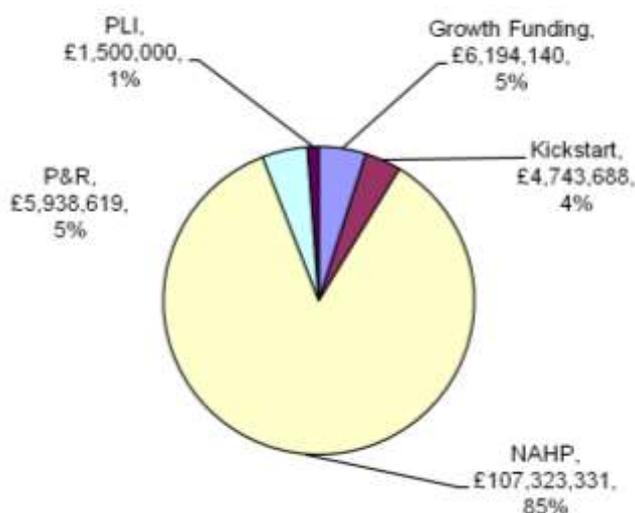


6. Resources and investment

6.1. Chapter 4 has set out in detail the ambition and outcomes partners in the NCHM3 area are seeking to achieve including details on specific sites and the investment required for them. This chapter aims to bring together that information in summary form, with further information on infrastructure funding requirements etc to establish the overall investment (from all sources) required to ensure delivery of the overall vision and the outcomes identified in chapter 4, through the development of quality places.

Historic HCA investment

6.2. Over the period 2008-11, HCA investment in the HCNM3 area will total around £125m, the breakdown of which is illustrated below (NAHP = National Housing Programme, P&R = Property and Regeneration, PLI = Public Land Initiative):



6.3. Further funding is already earmarked for 2011-12 including £15m Ecotown funding. HCA is also investing in two schemes where it has land holdings at the Lord Mayor Treloar site in Alton and Park Prewett, Northern Area in Basingstoke.

Historic investment in affordable housing

6.4. The table below shows the distribution of HCA grant for affordable housing in 2008-9 in the NCHM3 area. HCA grant has averaged £64,286 per social rented home and £25,607 per low cost homeownership (LCHO) property, equating to grant per person of £18,227 for rent and £7,488 for LCHO.

Local authority	Number of homes receiving HCA funding ²⁷	HCA grant average spend per unit social rented	HCA grant average spend per LCHO unit ²⁸	Average grant per person social rented	Average grant per person LCHO ¹²
Basingstoke & Deane	1,009	£73,940	£24,095	£17,159	£8,369
East Hampshire	255	£73,492	£36,194	£17,265	£10,200
Hart	213	£66,367	£20,000	£21,831	£5,545
Rushmoor	381	£59,326	£20,827	£15,689	£6,622
Surrey Heath	148	£64,924	£25,000	£18,004	£7,042
Test Valley	596	£65,716	£25,526	£18,815	£5,963
Winchester	452	£68,398	£25,451	£18,517	£7,966
NCHM3 averages	-	£64,286	£25,607	£18,227	£7,488

Source: Homes and Communities Agency – South East

6.5. In addition to HCA grant, affordable housing provision also relies on investment from a range of other sources including: private developers through s106 agreements (the table below provides a summary of current district authority affordable housing policies); local authority funding; housing association borrowing; recycled capital grant from housing association sales; or a combination of all of these.

Local authority	Planning policy target for affordable housing	Planning policy site size threshold for affordable housing
Basingstoke and Deane	40%	25
East Hampshire	35%	15
Hart	40%	15 (urban), 5 (rural)
Rushmoor	15-30% (sliding scale)	25
Surrey Heath	N/A	25
Test Valley	40%	15
Winchester	35%	15

Source: HCC, Affordable Housing Update 2009

6.6. The table below shows information on HCA funding for affordable homes that included developer contributions, NAHP and other funding sources.

²⁷ 2008-11 period as at end of April 2010; includes affordable housing for rent, Newbuild Homebuy, Intermediate Rent, Homebuy Direct, Open Market Homebuy and Mortgage Rescue

²⁸ Newbuild Homebuy and Intermediate Rent only

Local Authority	Number of homes delivered 2009/2010 ²⁹	Number of homes funded by developer + NAHP ³⁰	Amount of any local LAHG (£) ³¹	Mixed / other funding ³²
Basingstoke & Deane	667	77	148,775	620,000
East Hampshire	43	1	-	-
Hart	17	-	-	-
Rushmoor	355	40	75,000	465,000
Surrey Heath	16	-	-	-
Test Valley	130	53	655,000	151,000
Winchester	137	11	254,150	2,026,000
NCHM3 totals	1,365	182	1,132,925	3,262,000

Source: Homes and Communities Agency – South East

6.7. In the same period housing associations in the NCHM3 area built or acquired a further 221 affordable homes with local authority financial support of £1.018m.

Future investment in housing

6.8. This broad pattern is likely to continue: i.e. most affordable housing being delivered by the private and RSL sectors working in partnership (albeit with public sector subsidy) with smaller development programmes being undertaken by housing associations.

6.9. This is dependent on a number of factors including:

- 6.9.1. the provision of adequate land through the planning system (this will be of increasing importance with future tightening of public finances);
- 6.9.2. sufficient funding to maintain a supply of starts, both for affordable housing and on- and off-site infrastructure (see below);
- 6.9.3. the availability and cost of private financing and the impact of changes or otherwise in rent levels ; and
- 6.9.4. forward planning and continuity of funding for major developments and other major initiatives³³

²⁹ includes affordable housing for rent, Newbuild Homebuy, Intermediate Rent, Homebuy Direct, Open Market Homebuy and Mortgage Rescue; will include schemes funded prior to 2008-11 that completed in 2009/10

³⁰ schemes indicated by bidding organisations as being on Section 106 sites; note this information is not available for schemes funded prior to 2008-11

³¹ amount of 'Other Public Subsidy' as indicated by bidding organisations; includes land and grant

³² includes Recycled Capital Grant and Disposal Proceeds Fund monies as indicate by bidding organisations

³³ For example, Basingstoke and Deane Borough Council is currently in the early stages of a project to develop a joint venture vehicle to deliver affordable housing in the borough.

Future demand for funding

6.10. Annex 1 to this plan details the housing development sites against a framework of key information and policy drivers, including anticipated delivery of all housing and affordable housing from each site and estimated requirements for funding for affordable housing and other infrastructure. Chapter 4 also provides a trajectory for future delivery of all housing and affordable housing within that.

6.11. Information from local authorities shows an estimated annual average of 854 affordable homes to be delivered in the period 2010-15 (this is based on whole authority areas so will, to some extent, over estimate the numbers for the NCHM3 area). The profile of delivery from this source of information is tabulated below.

Local authority	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Basingstoke and Deane	139	394	192	240	287	1252
East Hampshire	80	170	178	121	58	607
Hart	88	200	114	80	80	562
Rushmoor	52	101	157	35	70	415
Surrey Heath	91	15	13	12	12	143
Test Valley	296	199	144	138	138	915
Winchester	45	162	46	12	109	374
Totals	791	1241	844	638	754	4268

Source: District local authorities in the NCHM3 area

6.12. A detailed breakdown of anticipated investment requirements for affordable housing are set out in Annex 1. A total investment (from all sources) of over £268m is estimated to be required including funding allocated and/or spent on developments currently underway. For sites over 50 dwellings in size this investment requirement has been analysed further in the table below:

	All sites of 50+ dwellings	Priority 1 and 1a sites of 50+ dwellings
Total affordable housing investment required	ca £227m	ca £163m
Total affordable housing investment secured ³⁴	ca £101m	ca £96m
Total further funding required ³⁵	ca £126m	ca £67m

Source: District local authorities in the NCHM3 area

Future sources of funding

6.13. It is likely that there will be growing uncertainty surrounding conventional sources of funding for both housing and employment developments (due to the

³⁴ From HCA and a variety of other sources including local authorities and RSLs

³⁵ Subject to value for money appraisal.

recession). To date this has, to some extent, been mitigated by HCA intervention and investment in the market (which we assume will not be maintained as the Government seeks to address the fiscal deficit). We have not, at this stage, sought to quantify these impacts but they are likely to have a significant negative effect on the delivery of affordable housing in the future. This points strongly to the **need to work closely with the HCA on future funding options** including:

6.13.1. exploring the potential to use more financial contributions from developers in lieu of on-site provision of affordable housing: over £1.9m is currently held by NCHM3 authorities for this purpose as at May 2010 with East Hants expecting to receive a further £2.3m. Of course, this approach relies on the availability of sites where such commuted sums can be invested;

6.13.2. working with lenders to resolve barriers to financing of shared ownership housing;

6.13.3. creating more flexible forms of tenure and better use of the private rented sector to attract institutional investors and other housing providers;

6.13.4. making best use of existing public sector and/or RSL assets and/or maximising leverage from them (e.g. for securing finance/investment in innovative ways such as asset backed vehicles and tax incremental financing); and

6.13.5. better management of existing stock to generate improved access to larger dwellings in particular, while recognising the needs/desire of older people in particular to have more than one bedroom.

6.14. In recent years Housing Corporation/HCA funding for affordable housing has, understandably, tended more and more towards projects capable of rapid delivery. This provides flexibility and greater assurance of full utilisation of funds. However, it is less suited to the needs to major projects, which generally require a long term funding commitment to provide confidence to development partners and/or other funders (such as banks). **A funding solution is required to reconcile these objectives and ensure an appropriate balance between strategic (often long term) investment and reactive/opportunistic funding.**

6.15. We are therefore seeking two broad forms of funding to support affordable housing in the NCHM3 area and meet the anticipated delivery profile:

6.15.1. **a responsive projects allocation** to the NCHM3 area to enable local authorities and partners housing associations to access flexible resources and invest in (often small) projects (including unplanned windfalls); and

6.15.2. **a longer term funding programme for major/strategic projects**, including developments and regeneration/renewal schemes likely to come on stream or continue post 2015, to provide developers and funders with confidence to invest in such projects.

6.16. The flexible framework approach we have taken to prioritisation can support such an approach. For example, recognising that there are increased risks (in delivery terms) to giving confidence to a large strategic project through its inclusion in the investment portfolio, the framework can be used to switch investment around in the short term should such a major project be delayed, without undermining confidence in the major project in question.

6.17. We also welcome HCA's move towards an investment appraisal approach in order to: achieve the same/more outputs at time of reduced funding; avoid propping up land values through grant; and create head room for more expensive schemes (larger homes, some rural estate regeneration). Inevitably this will necessitate a move away from average grant rates and therefore will require early involvement of HCA with developers and local authorities to discuss the investment case (e.g. "gap") and options for preference for investment or grant funding.

Private financing

6.18. Around 60% of the cost of an affordable rented home and 40% of a shared ownership home is funded through private finance raised by the housing provider. Hence any public investment in housing is at least matched equally by private finance secured through the financial markets.

6.19. Affordable rent and shared ownership housing programmes are therefore very reliant on the availability and pricing of private finance. The viability of a project for the provider depends on the balance between the level of social housing grant and the cost of the private finance and income streams produced by the project. The base costs of fixed interest long term finance remain relatively high at around 4.0% or higher in current markets because the markets are pricing on the expectation of increases in variable interest rates in the medium term. The cost of finance is further compounded by much higher margins being charged by lenders of over 1.5% as a result of the credit crunch giving overall cost of funds at 5.5% or more. There have been some recent developments in long term bond issues by some providers where the rates have reduced substantially in the last year giving a cost of funds at around the same level.

6.20. Implementing affordable housing programmes and investment in strategic sites is therefore very dependent on the financial markets and the approach of lenders to the risk presented by such strategic projects. As a result of banking changes during the credit crunch, there is only a small number of commercial lenders active in the affordable housing sector and their commercial terms of loans

are very much subject to financial markets and world economies. At a time of shrinking public investment, the approach of lenders is likely to be cautious to exposure and the substantial potential risk presented by large strategic projects with the scale of borrowing required to make those projects successful.

6.21. Two other factors could be strategically important for the requirements of public investment in housing over the next five years. The first is that the present grant levels for affordable rented homes are reliant on cross-subsidy from the sales of shared ownership homes, which requires a stable rising housing market to sustain the sales receipts and that cross-subsidy. For the second half of 2010/11, house price uncertainty is projected to continue and low grant levels for affordable rented may not be sustainable with such uncertainty. The other factor is that affordable rented homes are predicated on the present target rent formula of government and future rents increasing by RPI plus half a percent. Any reduction in the rent levels themselves or the rate of increase, such as a change from RPI to CPI, will increase the requirement for social housing grant of new homes.

Rural affordable housing

6.22. Development of affordable housing on small rural sites is a significantly more costly for Registered Social Landlords (RSLs), particularly for exception sites. The HCA therefore, needs to recognise this in the rate of Social Housing Grant awarded to rural developments which, in many cases needs to be at a higher level than urban areas in order to deliver much needed rural housing for local people.

6.23. In the rural areas of Hampshire there are particular challenges in the delivery of housing. As indicated above there are cost implications; higher construction costs and lower density schemes not achieving economies of scale are particular difficulties. There is also a significant resource required in undertaking consultation with local people, Parish Councils, landowners and planning authorities in order to ensure that any development which takes place is sympathetic to the local area and local needs. This means that rural schemes take longer to deliver than urban ones.

6.24. The key issue therefore is the continued need for investment and assistance from the HCA. HARAH and the HCA aim to agree new home targets for future years for rural exception housing.

Investment in infrastructure

6.25. It is clear that to ensure that our vision and ambitions for the NCHM3 area are met considerable, investment is needed both directly in the developments themselves and in infrastructure of all kinds that is necessary to enable and support those developments. Much of this investment will come from the private sector (e.g. through developers) but this will not be sufficient in itself. Therefore some, perhaps considerable, public sector funding will also be required from a range of public sector agencies.

6.26. More detailed plans for infrastructure requirements, timing and phasing of delivery and investment needs are currently being developed by local authorities through their Infrastructure Delivery Plans to incorporated into Local development Frameworks and, in the case of local transport, the Local Transport Plan Implementation Plan. This LIP, therefore, provide only a high level summary of infrastructure requirements.

6.27. It is essential for the well-being of existing and new residents of the area that the necessary investment in infrastructure is delivered in a timely way – where necessary in advance of the commencement of development – to ensure the delivery of high quality, effectively-functioning places.

Social and community infrastructure

6.28. Evidence of potential infrastructure requirements to support growth in North Hampshire (the part of the NCHM3 area that lies within the Western Corridor and Blackwater Valley sub-region in the south East Plan) was provided to the South East Plan Panel in 2007. Since then Hampshire County Council has updated its estimates for the costs of social and community infrastructure across the County³⁶. It is important to note that these updated estimates are based on the infrastructure costs required to be met to support *additional growth*: i.e. excluding replacement of existing infrastructure that is either worn out or already operating above its intended capacity. These costs are tabulated below for the NCHM3 area (the published document includes a fuller assessment and analysis of requirements and details of the estimation methodology used):

Infrastructure		Costs in NCHM3 area (£m) ³⁷
Education	Primary schools	225 (0.5)
	Secondary schools	160 or 184
	Nursery – public	4.0 (0.15)
	Nursery – private	5.3
	Further and higher education	Insufficient detailed information available. No overall formula available to derive estimates.
Public and other services	Libraries	12.5 (0.05)
	Waste management and disposal	Detailed information expected as part of emerging waste plans
	Cemeteries	Requirements to be dealt with on the basis of local need
	Emergency services	Insufficient detailed information available. No overall formula available to derive estimates.

³⁶ Hampshire Community Infrastructure Study, November 2009 (http://www3.hants.gov.uk/hampshire_community_infrastructure_study_november_2009.pdf)

³⁷ Numbers in brackets represent Surrey Heath estimated contributions based solely on viability assessment undertaken for Deepcut strategic location. No wider costings for Surrey Heath are included as information is not currently available. The figures in brackets are in addition to the Hampshire figures provided.

Infrastructure		Costs in NCHM3 area (£m) ³⁷
	Water supply, waste water treatment	Insufficient detailed information available – work is ongoing to quantify needs.
Affordable housing	RSL finance	1,029
	Land value	720
	Additional funding	257
Social Infrastructure	Social and community facilities	5.1 (0.1)
	Sports centres and swimming pools	13.4 (0.8)
	Open spaces, parks and play spaces	29.9 (0.9)
	Supported accommodation	Demands considered likely to be qualitative rather than quantitative
Utility services	Gas supply	Insufficient detailed information available for Hampshire. (1.6)
	Electricity supply	Insufficient detailed information available for Hampshire. (4.6)
	Heat supply	Insufficient detailed information available for Hampshire.
	Water supply, waste water treatment	Insufficient detailed information available for Hampshire. (9.5)
Health	Health centres and GP surgeries (part)	8.8 (0.4)
	Health centres and GP surgeries (remainder)	Insufficient detailed information available. No overall formula available to derive estimates. Estimate above not considered comprehensive.
	Acute care, general and mental health hospitals	Insufficient detailed information available. No overall formula available to derive estimates.
	Ambulance services	Insufficient detailed information available. No overall formula available to derive estimates.
Green infrastructure		Insufficient detailed information available. No overall formula available to derive estimates.
Flood defences		Insufficient detailed information available.

Source: Hampshire County Council (Hampshire Community Infrastructure Study, November 2009) and Surrey Heath Borough Council

Transport infrastructure

6.29. A substantial part of the NCHM3 area comprising Hart District, Rushmoor Borough and Basingstoke & Deane including the M3 corridor formed part of the DaSTS Thames Valley Study Stage 1 work. This was commissioned by the South East England Partnership Board for submission to the Department for Transport as part of an initiative introduced under the previous Government, to identify possible future investment priorities for the period beyond 2014.

6.30. Whilst DaSTS as originally envisaged is unlikely to be taken forward (to Stage 2) by the new administration, there is a need for some form of prioritisation

mechanism to be introduced in order to enable any limited source of Government funding to be allocated. This may take the form of the Urban Challenge Fund (or similar initiative) which has been subject to a recent consultation.

6.31. In the shorter term the impact of reduced levels of funding from the Government for local investment in the period 2011–14 will not be known until details of the Comprehensive Spending Review (CSR) is issued in mid October 2010.

6.32. Work is continuing on producing a LTP3 Implementation Plan and it is envisaged that this work will compliment the individual Infrastructure Plans being prepared by the Local Planning Authorities in connection with their LDF's. Clearly firm programmes and spending plans cannot be produced until the Government has confirmed any LTP funding allocations through the CSR.

6.33. The table and estimated figures below may be subject to change pending decisions taken about future development and the availability of funding. The full programme if implemented is likely to cost a little under £1bn.

Scheme/issue	Indicative cost (£m)
Access to Aldershot/Farnborough	41
Access to Andover	27
Access to Basingstoke	95
Whitehill Bordon Eco-town (with rail link)	193
Access to East Hampshire	35
Access to Fleet	32
Access to Winchester	48
Strategic Rail	225
Strategic Traffic Management	70
Transport Modelling	5
LDF Schemes	10
Other	134
Total	915

Source: Hampshire County Council

6.34. Key transport issues for North and Central Hampshire are the capacity of the M3 junctions and the handling of the projected traffic generated from new employment and residential locations. Furthermore Rail also has an important role in supporting growth.

6.35. The Highways Agency is currently working on a number of Managed Motorways schemes. In the NCHM3 area there is a Managed Motorways scheme under development between M3 J2 to J4a. This seeks to deliver additional capacity, tackle congestion, and provide safe and reliable journeys to motorists through a

range of innovative technologies. The Highways Agency is currently working towards a preferred scheme announcement, subject to funding.

6.36. The Highways Agency is currently working with Hampshire County Council and Basingstoke and Deane Borough Council on investigating options for improvement at M3 J6 and Black Dam roundabout, enhancing safety and reducing congestion. The delivery of improvements at M3 J6 and Black Dam roundabout is important for the existing resident and working populations of Basingstoke and will be critical to supporting any future growth in the area.

Funding infrastructure requirements

6.37. Ensuring the funding is in place to deliver these infrastructure investment needs is a key challenge that must be met to ensure development in the NCHM3 area is sustainable. This means addressing the need for both *strategic infrastructure* (flood defence, utilities, strategic transport, health, education etc) and *local infrastructure* (place making, green spaces, community facilities, local access etc). While in practice the distinction between the two is unlikely to be sharp, strategic infrastructure has historically tended to be funded by the public sector and utilities and local infrastructure by developers (affordable housing tends to be funded by a combination of the two). Given the future constraints on public sector funding the balance in funding for strategic infrastructure is likely to have to shift more towards developer contributions.

6.38. Government and local authorities are already exploring a range of innovative options for funding strategic infrastructure including tariffs, Community Infrastructure Levy, Tax Incremental Finance and other ways to support local or national borrowing (such as asset backed vehicles, LAGBI, PFI, Regional Infrastructure Fund etc). The NCHM3 local authorities are keen to work with HCA and other Government agencies to explore such mechanisms further, including where HCA has land or other financial interests in the developments concerned. Nonetheless it is clear that a significant proportion of these costs will remain reliant on grant funding.

Flexible funding and access to expertise

6.39. We are also keen to access HCA support and expertise in respect of major developments planned for the NCHM3 area and any further defence land releases announced following the Strategic Defence Review.

6.40. This should include funding and support for strategic employment sites to support our economic development and regeneration goals and the potential to switch affordable housing investment to fund upfront infrastructure costs and thereby enable sites to start (with the guarantee of affordable housing funded from developers or other sources once the initial investment barrier has been overcome).

Public sector land

6.41. Furthermore, maximising the benefits of HCA and other Government owned sites in the NCHM3 area will be critical to meeting the affordable housing and economic development needs of the area. For example:

6.41.1. Defence estates have substantial land holdings in the NCHM3 area a number of which are scheduled for disposal and development as described elsewhere in this plan (including the Aldershot Urban extension and the proposed Ecotown at Whitehill and Bordon). Defence Estates' published planning brief includes objectives that align well with those in the plan including supporting urban renaissance, regeneration and social inclusion and maintaining the distinctiveness and quality of rural areas.

6.41.2. The Homes and Communities Agency owns former hospital sites allocated for housing development at Park Prewett Northern Area, Basingstoke and Lord Mayor Treloar, Alton. The HCA is looking to work with development partners from its Delivery Partner Panel to speed up procurement and delivery of these schemes. The HCA will be working with local authority partners to ensure that further master-planning is undertaken and that planning applications are prepared. These will ensure that viable schemes meeting design and environmental standards are achieved, which will deliver market and affordable homes, together with related community facilities.

6.41.3. Trumpet Junction, owned by the Highways Agency and adjoining Park Prewett, Basingstoke is allocated for housing in the adopted Local Plan It is no longer being retained for highway use. The site is approximately 3 hectares developable area and between 125-102 dwellings are proposed. However, the exact layout, number of dwellings, mix of house types and affordable provision is currently being reviewed. The HCA has a ransom strip and also has authority to part fund/acquire if necessary under the Public Land Initiative.

6.42. This should be done in tandem with local authorities' use of their land holdings including their own stock (where they own it) and other initiatives. As stated above Winchester City Council has an active programme of land disposal to housing associations for the development of affordable homes.

6.43. Hampshire County Council has a pro-active programme of disposals of surplus land and property to generate capital receipts for reinvestment into operational assets such as schools, libraries and health and care facilities. As part of this approach, there has always been an acknowledgement that this places the authority in a position to not only release some of its surplus land to help facilitate necessary housing development, but also to influence the type and quality of

residential development on its land. It often achieves this via its "Design Offer" method of sale within which the County Council obtains outline planning approval prior to marketing the land and only agrees to the final sale of a site once the preferred purchaser has not only been selected on the basis of the quality of their proposals along with any financial offer, but when they have secured detailed planning consent for the development.

6.44. This not only enables design quality to be influenced but also the nature of the homes in terms of tenure such as affordable housing or sustainability in terms of eco-homes levels etc. Over the past decade in excess of 3,000 homes across Hampshire have been enabled through this process on land previously owned by the County Council. Of these, over 800 have been affordable homes.

6.45. In addition to small and medium sites, the County Council is also working on a number of "Strategic Land Developments" where it is the owner of a much larger area of land that could accommodate a complete neighbourhood including schools, shops and other public and commercial facilities. Here the County Council also acts as master planner in ensuring that a good quality of urban design and town planning is achieved in addition to architectural design. One such example of this is its Merton Rise development on the northern edge of Basingstoke.

6.46. Finally, although not a statutory housing authority, the County Council also has an active policy of looking to provide additional affordable housing on its land outside of its disposal programme. This approach looks at its land holdings that would not normally be acceptable for private market housing but which might be suitable as exception sites and be brought forward exclusively for affordable housing in partnership with a Registered Social Landlord. At present, via its "Project 500" initiative, the County Council has identified batches of sites within each of the eleven local planning and housing authorities across Hampshire, and is currently providing these to the District Councils to see if any could be brought forward to enable further affordable housing projects.

Map 1: Key localities and strategic sites in the NCHM3 area

- **See separate pdf file**

Annex 1: NCHM3 housing development pipeline

- **See separate spreadsheet (pdf file)**

Annex 2: NCHM3 significant employment developments

- **See separate spreadsheet (pdf file)**

Appendix 1: Selected local area agreement targets

Skills

NI		2010/11 target	2010/11 target	2010/11 target	2010/11 target
		North Hampshire (Rushmoor and Hart)	Rural (E. Hampshire, Winchester, Test Valley, New Forest)	Basingstoke & Deane	Surrey
163	Percentage of the populations aged 19-64 for males and 19-59 for females qualified to at least NVQ level 2 and above.	79.9% (+5.5%)	81.9% (4.5%)	78.4% (+6.1%)	79.5% (+3.0%)
164	Percentage of the population aged 19-64 for males and 19-59 for females qualified to at least NVQ level 3 and higher.	58.0% (+4.3%)	60.6% (+3.0%)	57.7% (+4.8%)	61.3% (+3.0%)
165	Percentage of the population aged 19-64 for males and 19-59 for females qualified to at least NVD level 3 and above.	38.1% (+2.9%)	38% (+2.9%)	37% (+3.5%)	N/A

Employment

District	Baseline June 2007		2010-2011 target		Total increase
	No	%	No	%	%
Basingstoke	83,000	85.0	84,464	86.5	1.5
East Hampshire	54,300	77.9	54,857	78.7	0.8
Hart	48,200	88.4	48,318	88.6	0.2
Rushmoor	48,700	83.9	49,570	85.4	1.5
Test Valley	61,600	85.7	62,175	86.5	0.8
Winchester	53,000	79.4	53,534	80.2	0.8

The Surrey LAA also has a target to reduce out of work benefit claimants by 182 (0.025%) by 2010/11 against a baseline of 2008/9.

Business Growth

	Number of business start-ups	
	Baseline 2008-2009	Target 2010-2011
Basingstoke and Deane	122	150
North East Hampshire	71	90
Rural Districts	337	400
Surrey	1,100	tbc ³⁸

	Number of Businesses per 1,000 population	
	Baseline 2008-2009	Target 2010-2011
Basingstoke and Deane	46	50
North East Hampshire	47	50
Rural Districts	60	64

Surrey also has a range of target for business survival, businesses supported and GVA growth

Earnings Gap

Rushmoor – the difference between the gross weekly full time median resident and worker earnings. TARGET: reduction from £126 to £111 by 2010/11.

Basingstoke and Deane – the gap between the borough's gross weekly full time median earnings by residence and the gross weekly full time median earnings for the south east region. TARGET: reduction from £14 to £0 by 2010/11.

Housing

Theme	Measure	Target 2010-11
HAMPSHIRE		
Affordable housing	NI 155 Number of affordable housing delivered (gross)	5225 (cumulative over LAA period)
Fuel poverty	NI 187 Tackling fuel poverty- % people receiving income based benefits living in homes with a low energy efficiency rating (average for Hants)	10% reduction from baseline of 11%
	NI 187 Tackling fuel poverty- % people receiving income based benefits living in homes with a high energy efficiency rating (average for Hants)	31% increase from baseline of 27%

³⁸ A target of 1400 is agreed for 2009-10.

Theme	Measure	Target 2010-11
SURREY		
Create better, more sustainable developments that deliver more social environmental and economic benefits	NI 154 Net additional homes provided	8499 (cumulative over LAA period)
	NI 155 Number of affordable housing delivered (gross)	2375 (cumulative over LAA period)

Environment

Theme	Measure	Target 2010-11
HAMPSHIRE		
More efficient use of resources	NI 193 Percentage of municipal waste landfilled	12% (against baseline of 15%)
	Household waste recycled and composted	35% in urban areas and 40% in rural areas ³⁹
Mitigate process of climate change	NI 186 Per capita reduction in CO2 emissions in the LA area	10% reduction from 2005 baseline of 7.2 tonnes
Adapt to consequences of climate change	NI 188 Planning to adapt to climate change	Level 3 average across county ⁴⁰
SURREY		
Help people in Surrey to achieve more sustainable lifestyles	NI 186 Per capita reduction in CO2 emissions in the LA area	10% reduction from baseline of 6.9 tonnes
	NI 192 Household waste recycled and composted	40% (against a baseline of 35%)

Accessibility and transport

Theme	Measure	Target 2010-11
HAMPSHIRE		
Quality of life and safety in rural villages	Average speed in villages	10% reduction since 30mph limits introduced
Improve congestion	Level of congestion at M3 J4a ⁴¹	5% reduction in vehicle delay against baseline
	Level of congestion at the 50 worst am and pm peak links on the main road networks (including motorways)	No increase in total vehicle delay

³⁹ Baselines are: Basingstoke and Deane, 23.1%; East Hant, 38.3%; Hart, 39.5%; Rushmoor, 25.9%; Test Valley, 35.2%; and Winchester, 36.2%

⁴⁰ Measure on a scale of 0-4 with 4 high. Baseline average is 0.

⁴¹ A32 Gosport and Whitely are also identified in the LAA but are not in the NCHM3 area.

Theme	Measure	Target 2010-11
Local accessibility	Perception of accessibility in selected wards taken from an index of wards, where there is a population of more than 100, least likely to own a car and be more than 400m from a bus route which operates at least hourly service, Monday to Friday.	Overall reduction of 10% in the number of people who considering that access to essential services was a serious problem
Highway maintenance	NI 168 – principal roads where maintenance should be considered	6% (against 2006/7 baseline of 8%)
	NI 169 – non-principal roads where maintenance should be considered	12% (against 2006/7 baseline of 16%)
SURREY		
Create better, more sustainable developments that deliver more social environmental and economic benefits	NI 169 – non-principal roads where maintenance should be considered	13% (against baseline of 15%)

Appendix 2: Information likely to be required by HCA in detailed dialogue about specific sites

Planning

- Status in core strategy
- Planning consent:
 - current outline/detailed permission; or
 - timetable for approval

Ground conditions & infrastructure

- Information held by the local authority (e.g. as part of the core strategy evidence base including any site investigation (SI) and/or services & infrastructure reports if available)
- Breakdown of any abnormal and infrastructure costs (on site/off site) including available district or county council requirements

Ownership & marketing

- Current owners
- Title issues (e.g. restrictive covenants, ransom strips etc)
- Whether developer owned or with option on land
- RSL involved as part of consortium
- Readiness to develop: last meeting held with developer.
- Developer funding in place (if known)

Viability

- Development appraisal submitted or HCA economic appraisal completed
- Potential for developer contributions including s106
- Other co-financing sources in addition to HCA

Timescales

- Intended programme for delivery:
 - infrastructure provision
 - housing starts and completions
 - start and completion of other elements including employment, leisure, retail etc