

Planning and Rights of Way Panel

Tuesday, 16th March, 2021
at 5.30 pm

PLEASE NOTE TIME OF MEETING

Virtual

This meeting is open to the public

Members

Councillor Mitchell (Chair)
Councillor Coombs (Vice-Chair)
Councillor L Harris
Councillor Prior
Councillor Savage
Councillor Vaughan
Councillor Windle

Contacts

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ADDITIONAL INFORMATION AND PRESENTATIONS

5 PLANNING APPLICATION - 20/01629/FUL - BARGATE SHOPPING CENTRE
(Pages 1 - 14)

Additional Papers - HRA

6 PLANNING APPLICATION - 20/01544/OUT - LEISUREWORLD, WEST QUAY ROAD (Pages 15 - 72)

Additional information including the HRA and DVS statement and an updated list of conditions.

Habitats Regulations Assessment (HRA)

Application reference:	20/01629/FUL
Application address:	Bargate Shopping Centre and adjoining land In Queensway, East Street, Hanover Buildings and High Street Southampton SO14 1HF
Application description:	Redevelopment of the former Bargate Shopping Centre and multi-storey car park, 77-101 Queensway, 25 East Street, 30-32 Hanover Buildings, 1-16 East Bargate and 1-4 High Street, excluding frontage) for mixed use development comprising 519 new homes (use class C3) and commercial uses (use class E) and drinking establishment/bar uses (Sui Generis), in new buildings ranging in height from 4-storeys to 13-storeys, with associated parking and servicing, landscaping and public realm (Environmental Impact Assessment Development affects a public right of way and the setting of the listed Town Walls).
HRA completion date:	12/03/2021

HRA completed by:	
Lindsay McCulloch Planning Ecologist Southampton City Council Lindsay.mcculloch@southampton.gov.uk	

Summary
<p>The project being assessed is a mixed use development that will lead to the provision of 519 new homes, commercial uses and bar/cafés. The development is located approximately 1.1km from the Solent and Southampton Water Special Protection Area (SPA)/Ramsar site, 3.25km from the Solent Maritime SAC and approximately 4.7km from the New Forest Special Area of Conservation (SAC)/SPA/Ramsar site.</p> <p>The site previously contained a shopping centre and multi-storey car park however, these were demolished earlier in 2018. It is located a significant distance from the European sites and as such construction stage impacts will not occur. Concern has been raised however, that the proposed development, in-combination with other residential developments across south Hampshire, could result in recreational disturbance to the features of interest of the New Forest SPA/Ramsar site and the Solent and Southampton Water SPA/Ramsar site, and also the release of additional nitrogen and phosphorous, via waste water, which could affect the features of the Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site.</p> <p>The findings of the initial assessment concluded that a significant effect was possible. A detailed appropriate assessment was therefore conducted on the proposed development. Following consideration of a number of avoidance and mitigation measures designed to remove any risk of a significant effect on the identified European sites, it has been concluded that the significant effects which are likely in association with the proposed development can be overcome.</p>

Section 1 - details of the plan or project

<p>European sites potentially impacted by plan or project:</p> <p>European Site descriptions are available in Appendix I of the City Centre Action Plan's Habitats Regulations Assessment Baseline Evidence Review Report, which is on the city council's website at</p>	<ul style="list-style-type: none"> ▪ New Forest SAC ▪ New Forest SPA ▪ New Forest Ramsar site ▪ Solent and Southampton Water (SPA) ▪ Solent and Southampton Water Ramsar Site
<p>Is the project or plan directly connected with or necessary to the management of the site (provide details)?</p>	<p>No – the development consists of new residential, hotel, retail and office which is neither connected to, nor necessary for, the management of any European site.</p>
<p>Are there any other projects or plans that together with the project or plan being assessed could affect the site (provide details)?</p>	<ul style="list-style-type: none"> ▪ Southampton Core Strategy (amended 2015) (http://www.southampton.gov.uk/policies/Amended-Core-Strategy-inc-CSPR-%20Final-13-03-2015.pdf) ▪ City Centre Action Plan (http://www.southampton.gov.uk/planning/planning-policy/adopted-plans/city-centre-action-plan.aspx) ▪ South Hampshire Strategy (http://www.push.gov.uk/work/housing-and-planning/south_hampshire_strategy.htm) <p>The PUSH Spatial Position Statement plans for 104,350 net additional homes, 509,000 sq. m of office floorspace and 462,000 sq. m of mixed B class floorspace across South Hampshire and the Isle of Wight between 2011 and 2034.</p> <p>Southampton aims to provide a total of 15,610 net additional dwellings across the city between 2016 and 2035 as set out in the Amended Core Strategy.</p> <p>Whilst the dates of the two plans do not align, it is clear that the proposed development of the Bargate Shopping Centre site is part of a far wider reaching development strategy for the South Hampshire sub-region which will result in a sizeable increase in population and economic activity.</p>

Regulation 68 of the Conservation of Habitats and Species Regulations 2010 (as amended) (the Habitats Regulations) is clear that the assessment provisions, i.e. Regulation 61 of the same regulations, apply in relation to granting planning permission on an application under Part 3 of the TCPA 1990. The assessment below constitutes the city council's assessment of the implications of the development described above on the identified European sites, which is set out in Regulation 61 of the Habitats Regulations.

Section 2 - Assessment of implications for European sites

Test 1: the likelihood of a significant effect

- This test is to determine whether or not any possible effect could constitute a significant effect on a European site as set out in Regulation 61(1) (a) of the Habitats Regulations.

The proposed development is located 1.1km to the west of a section of the Solent and Southampton Water SPA and Solent and Southampton Water Ramsar Site and 3.25km to the east of the Solent Maritime SAC whilst the New Forest SAC, SPA and Ramsar site are approximately 4.7km to the south.

A full list of the qualifying features for each site is provided at the end of this report. The development could have implications for these sites which could be permanent arising from the operational phase of the development.

The following mitigation measures have been proposed as part of the development:

- 4% of the CIL contribution, which will be a minimum of £117,353 will be ring fenced for footpath improvements in the Shoreburs and Weston Greenways and Peartree Green Local Nature Reserve;
- 1% of the CIL contribution, which will be a minimum of £29,338, will be allocated to the New Forest National Park Authority Habitat Mitigation Scheme;
- A contribution of £128,193 towards the Solent Recreation Mitigation Partnership;
- Information on public transport plus pedestrian and cycle route maps will be provided.
- The development will incorporate 348 cycle parking spaces for the private apartments.

Conclusions regarding the likelihood of a significant effect

This is to summarise whether or not there is a likelihood of a significant effect on a European site as set out in Regulation 61(1)(a) of the Habitats Regulations.

The project being assessed would lead to the provision of 519 new homes, commercial uses and bar/cafés approximately 1.1km from the Solent and Southampton Water Special Protection Area (SPA)/Ramsar site, 3.25km from the Solent Maritime SAC and 4.7km from the New Forest Special Area of Conservation (SAC)/SPA/Ramsar site

The site is a former shopping centre and multi-storey car park. It is located a significant distance from the European sites and as such construction stage impacts will not occur. Concern has been raised however, that the proposed development, in-combination with other residential developments across south Hampshire, could result in recreational disturbance to the features of interest of the New Forest SPA/Ramsar site and the Solent and Southampton Water SPA/Ramsar site. In addition, waste water generated by the development could result in the release of nitrogen and phosphate into the Solent leading to adverse impacts on features of the Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site.

The applicant has provided details of several avoidance and mitigation measures which are intended to reduce the identified impacts. However, without more detailed analysis, it is not possible to determine whether the proposed measures are sufficient to reduce the identified impacts to a level where they could be considered not to result in a significant effect on the identified European sites. Overall, there is the potential for permanent impacts which could be at a sufficient level to be considered significant. As such, a full appropriate assessment of the implications for the identified European sites is required before the scheme can be authorised.

Test 2: an appropriate assessment of the implications of the development for the identified European sites in view of those sites' conservation objectives

The analysis below constitutes the city council's assessment under Regulation 61(1) of the Habitats Regulations

The identified potential effects are examined below to determine the implications for the identified European sites in line with their conservation objectives and to assess whether the proposed avoidance and mitigation measures are sufficient to remove any potential impact.

In order to make a full and complete assessment it is necessary to consider the relevant conservation objectives. These are available on Natural England's web pages at <http://publications.naturalengland.org.uk/category/6528471664689152>.

The conservation objective for Special Areas of Conservation is to, "Avoid the deterioration of the qualifying natural habitats and the habitats of qualifying species, and the significant disturbance of those qualifying species, ensuring the integrity of the site is maintained and the site makes a full contribution to achieving Favourable Conservation Status of each of the qualifying features."

The conservation objective for Special Protection Areas is to, "Avoid the deterioration of the habitats of the qualifying features, and the significant disturbance of the qualifying features, ensuring the integrity of the site is maintained and the site makes a full contribution to achieving the aims of the Birds Directive."

Ramsar sites do not have a specific conservation objective however, under the National Planning Policy Framework (NPPF), they are considered to have the same status as European sites.

TEMPORARY, CONSTRUCTION PHASE EFFECTS

The designated sites are all located a substantial distance away from the development site and are therefore outside the zone of influence of construction activities. As a consequence, there will be no temporary, construction phase effects.

PERMANENT, OPERATIONAL EFFECTS.

Recreational disturbance

Human disturbance of birds, which is any human activity which affects a bird's behaviour or survival, has been a key area of conservation concern for a number of years. Examples of such disturbance, identified by research studies, include birds taking flight, changing their feeding behaviour or avoiding otherwise suitable habitat. The effects of such disturbance range from a minor reduction in foraging time to mortality of individuals and lower levels of breeding success.

New Forest SPA/Ramsar site/ New Forest SAC

Although relevant research, detailed in Sharp et al 2008, into the effects of human disturbance on interest features of the New Forest SPA/Ramsar site, namely nightjar, *Caprimulgus europaeus*, woodlark, *Lullula arborea*, and Dartford warbler *Sylvia undata*, was not specifically undertaken in the New Forest, the findings of work on the Dorset and Thames Basin Heaths established clear effects of disturbance on these species.

Nightjar

Higher levels of recreational activity, particularly dog walking, has been shown to lower nightjar breeding success rates. On the Dorset Heaths nests close to footpaths were

found to be more likely to fail as a consequence of predation, probably due to adults being flushed from the nest by dogs allowing predators access to the eggs.

Woodlark

Density of woodlarks has been shown to be limited by disturbance with higher levels of disturbance leading to lower densities of woodlarks. Although breeding success rates were higher for the nest that were established, probably due to lower levels of competition for food, the overall effect was approximately a third fewer chicks than would have been the case in the absence of disturbance.

Dartford warbler

Adverse impacts on Dartford warbler were only found to be significant in heather dominated territories where high levels of disturbance increased the likelihood of nests near the edge of the territory failing completely. High disturbance levels were also shown to stop pairs raising multiple broods.

In addition to direct impacts on species for which the New Forest SPA/Ramsar site is designated, high levels of recreation activity can also affect habitats for which the New Forest SAC is designated. Such impacts include trampling of vegetation and compaction of soils which can lead to changes in plant and soil invertebrate communities, changes in soil hydrology and chemistry and erosion of soils.

Visitor levels in the New Forest

The New Forest National Park attracts a high number of visitors (13.3 million annually), and is notable in terms of its catchment, attracting a far higher proportion of tourists and non-local visitors than similar areas such as the Thames Basin and Dorset Heaths. Research undertaken by Footprint Ecology, Sharp et al (2008), indicates that 40% of visitors to the area are staying tourists, whilst 25% of visitors come from more than 5 miles (8km) away from the National Park boundary. The remaining 35% of visitors are local day visitors originating from within 5 miles (8km) of the boundary.

The report states that the estimated number of current annual visits to the New Forest is predicted to increase by 1.05 million annual visits by 2026 based on projections of housing development within 50km of the Forest, with around three quarters (764,000) of this total increase originating from within 10km of the boundary (which includes Southampton).

The application site is located 4.7km from the nearest part of the New Forest SPA and Ramsar site and 2.6km from the National Park boundary in terms of linear distance and as such, residents of the proposed development would appear to fall into the category of local day visitors. However, the actual travel distance is considerably longer with the nearest road access point 11.3km away or by ferry it is a ten minute crossing, with a return fare of £7 or £10 with a bicycle, plus 4.6km along roads. Residents of the Bargate development are therefore unlikely to make this trip on a daily basis.

Characteristics of visitors to the New Forest

In addition to visitor numbers, the report, "Changing patterns of visitor numbers within the New Forest National Park", 2008 also showed that:

- 85% of visitors to the New Forest arrive by car.

- 23% of the visitors travelling more than 5 miles come from the Southampton/Eastleigh area (see para 2.1.1).
- One of the main reasons for visiting the National Park given in the 2005 Visitor Survey was dog walking (24% of visitors - Source New Forest National Park Visitor survey 2005).
- Approximately 68% of visitors to UK National Parks are families. (Source:www.nationalparks.gov.uk).

The majority of the visitors to New Forest locations arriving from Southampton could therefore be characterised as day visitors, car-owners in family groups and many with dogs.

RESIDENTIAL ACCOMMODATION

The residential element of the proposed development consists of small flats (studio, 1 and 2 bed) and 28 family sized flats (3 bed), the development is therefore unlikely to accommodate many families which form the majority of visitors to National Parks. The development also includes just 50 parking spaces for the private apartments and can therefore be considered largely car free. Residents will therefore have to rely on walking, cycling or public transport to visit places beyond the development.

Cycling and walking

The development is located close to Central Parks and a number of cycle routes which make it easy to walk and cycle around the city centre. To encourage new residents to cycle the development will incorporate 348 cycle parking spaces for the residential accommodation.

Visiting the New Forest National Park using public transport

The linear distance to the New Forest SPA/Ramsar site is approximately 4.7km however, by road the distance is somewhat longer. The shortest route, using the Hythe Ferry, is 7.6km whilst the closest section when travelling purely by road is approximately 11.3km. It is unlikely, therefore, that visits made on foot or by bicycle will a frequent occurrence.

Should visitors choose to visit the National Park using public transport they are unlikely to find it a straight forward proposition. Direct travel from the development site is not possible. The first stage of a visit requires a journey to Southampton Central Station or the bus interchange in the city centre.

Travelling onward from Southampton city centre, the destinations for train and bus services are the urban centres which, aside from Beaulieu Road, lie outside the New Forest SPA/Ramsar site. Once at these locations further travel is required to reach the designated site. Table 1 below provides details of the train services available from Southampton Central Railway Station.

Table 1 Train services from Southampton Central to New Forest Locations

Destination	Service frequency (outside of peak hours)	Journey time
Ashurst	1 service per hour	10 mins
Beaulieu Road	6 services between 0900- 1800	14 mins
Lyndhurst	No service	
Brockenhurst	4 services per hour	16 mins

Lymington	2 services per hour (change at Brockenhurst)	20 mins
Burley	No service	

The only direct bus service from Southampton to the locations in the New Forest identified above is the Bluestar 6 service which runs hourly from the city centre (during the day) to Lyndhurst, Brockenhurst and Lymington taking 30-40 minutes. Other services are available throughout the National Park from those locations.

Clearly, whilst it is possible to reach the designated site from the proposed development the process is complicated and likely to be costly.

Dog ownership

It is not feasible to ban the keeping of dogs however, it would be expected that the number of dogs would be lower than for a development with gardens. In addition, these dogs are likely to be smaller breeds that can be exercised easily in parks.

Mitigation

Although the likely frequency of recreational visits to the New Forest, arising from the proposed development, is low, there is still the risk of recreational impacts. Southampton City Council has therefore undertaken to use 5% of Community Infrastructure Levy (CIL) contributions

The majority of this money, 4%, will be used to upgrade footpaths and infrastructure in the City's greenways. The greenways are a series of wooded stream valleys within Southampton's urban area which provide opportunities for walks in a semi-natural environment. Two of the greenways, Shoreburs and Weston, plus Peartree Green Local Nature Reserve (LNR), fall within the 5km cycle catchment area shown in Inset 2.3 of the Transport Assessment. Not only are these within easy cycling distance they can be accessed via quiet roads and National Cycle Route Number 2 directly from the development.

However, even with good quality walking routes available within Southampton, the New Forest's draw as a special destination is likely to attract visitors from the Bargate development. It is therefore proposed that 1% of the CIL contribution will be used to fund the New Forest National Park Habitat Mitigation Scheme. This scheme involves the following elements:

- Access management within the designated sites.
- Alternative recreation sites and routes outside the designated sites.
- Education, awareness and promotion.
- Monitoring and research.

The development will generate a minimum CIL contribution of least £2,933,834 which will result in £146,692 funds to pay for improvements within the two greenways and towards the New Forest National Park Habitat Mitigation Scheme.

Solent and Southampton Water SPA/Ramsar site

In 2008 the Council adopted the Solent Disturbance Mitigation Project's mitigation scheme, in collaboration with other Councils within the Partnership for Urban South Hampshire, in order to mitigate the effects of new residential development on the Solent and Southampton Water SPA

and Ramsar site. This enables financial contributions to be made by developers to fund appropriate mitigation measures. The level of mitigation payment required is linked to the number of bedrooms within the properties.

The residential accommodation of the Bargate development could result in a net increase in the city's population. There is therefore the risk that the development, in-combination with other residential developments across south Hampshire, could lead to recreational impacts upon the Solent and Southampton Water SPA. The likelihood of recreational impacts occurring is clearly linked to residents' ability to access the coast. Results from the Solent Disturbance & Mitigation Project visitor survey, Fearnley, H., Clarke, R. T. & Liley, D. (2011), indicated that 52% of visitors arrived by car. Consequently, residents occupying flats without car parking will have a reduced likelihood of visiting the coast. It is therefore considered to be acceptable to reduce the contribution level to 50%. Calculations of the SRMP contribution for the development are shown below.

Size of Unit	Scale of Mitigation per Unit	Number of units	Total
Studio car free	£356/2	68	£12,104
1 Bed car free	£356/2	216	£38,448
2 Bedroom	£514	22	£11,308
2 Bed car free	£514/2	185	£47,545
3 Bedroom	£671	28	£18,788
	Total	519	£128,193

It is considered that, subject to a level of mitigation, which has been calculated as a total of £128,193, being secured through a legal agreement, appropriate and effective mitigation measures will have been secured to ensure that effects associated with disturbance can be satisfactorily removed. The applicant has agreed to enter into a legal agreement to this effect.

Water quality

In their letter date 6th September 2018, Natural England highlighted concerns regarding, "high levels of nitrogen and phosphorus input to the water environment in the Solent with evidence that these nutrients are causing eutrophication at internationally designated sites."

Eutrophication is the process by which excess nutrients are added to a water body leading to rapid plant growth. In the case of the Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site the problem is predominately excess nitrogen arising from farming activity, waste water treatment works discharges and urban run-off.

Features of Solent Maritime SAC and Solent and Southampton Water SPA/Ramsar site that are vulnerable to increases in nitrogen levels are coastal grazing marsh, inter-tidal mud and seagrass.

Evidence of eutrophication impacting the Solent Maritime SAC and Solent and Southampton Water SPA/Ramsar site has come from the Environment Agency data covering estimates of river flow, river quality and also data on WwTW effluent flow and quality.

An Integrated Water Management Study for South Hampshire, commissioned by the Partnership for Urban South Hampshire (PUSH) Authorities, examined the delivery of development growth in relation to legislative and government policy requirements for designated sites and wider biodiversity. This work has identified that there is uncertainty in some locations as to whether there will be enough capacity to accommodate new housing growth. There is uncertainty about the efficacy of catchment measures to deliver the required reductions in nitrogen levels, and/or whether the upgrades to waste water treatment works will be enough to accommodate the quantity of new housing proposed. Considering this, Natural England have advised that a nitrogen budget is calculated for larger developments.

A methodology provided by Natural England has been used to calculate a nutrient budget and the full workings are provided in Appendix 1. The calculations conclude that there is a predicted Total Nitrogen surplus arising from the development of 420.1kg/TN/yr. This is based on the additional population from the residential units using 110litres of waste water per person per day.

Due to the nature of the site, and the surrounding urban environment, there are no further mitigation options on site. At present strategic mitigation measures are still under development and it is therefore proposed that a record of the outstanding amount of 420.1kg/TN/yr nitrogen is made.

Conclusions regarding the implications of the development for the identified European sites in view of those sites' conservation objectives

Conclusions

The following conclusions can be drawn from the evidence provided:

- Residents in the new accommodation will have only limited access to cars making travel to the New Forest and many coastal locations difficult.
- The availability of a wide range of open spaces, including a number of semi-natural sites, within easy cycling reach of the development will reduce the need to travel to the New Forest

The following mitigation measures have been proposed as part of the development:

- 4% of the CIL contribution, which will be a minimum of £117,353 will be ring fenced for footpath improvements in the Shoreburs and Weston Greenways and Peartree Green Local Nature Reserve;
- 1% of the CIL contribution, which will be a minimum of £29,338, will be allocated to the New Forest National Park Authority Habitat Mitigation Scheme;
- A contribution of £128,193 towards the Solent Recreation Mitigation Partnership;
- Information on public transport plus pedestrian and cycle route maps will be provided.
- The development will incorporate 348 cycle parking spaces for the private apartments.
- It can therefore be concluded that, subject to the implementation of the identified mitigation measures, **significant effects arising from recreational disturbance will not occur.**

References

Fearnley, H., Clarke, R. T. & Liley, D. (2011). The Solent Disturbance & Mitigation Project. Phase II – results of the Solent household survey. ©Solent Forum / Footprint Ecology.

Liley, D., Stillman, R. & Fearnley, H. (2010). The Solent Disturbance and Mitigation Project Phase 2: Results of Bird Disturbance Fieldwork 2009/10. Footprint Ecology / Solent Forum.

Sharp, J., Lowen, J. and Liley, D. (2008) Changing patterns of visitor numbers within the New Forest National Park

European Site Qualifying Features

The New Forest SAC

The New Forest SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex I habitats:

- Oligotrophic waters containing very few minerals of sandy plains (*Littorelletalia uniflorae*) (primary reason for selection)
- Oligotrophic to mesotrophic standing waters with vegetation of the *Littorelletea uniflorae* and/or of the *Isoëto-Nanojuncetea* (primary reason for selection)
- Northern Atlantic wet heaths with *Erica tetralix* (primary reason for selection)
- European dry heaths (primary reason for selection)
- *Molinia* meadows on calcareous, peaty or clayey-silt laden soils (*Molinion caeruleae*) (primary reason for selection)
- Depressions on peat substrates of the *Rhynchosporion* (primary reason for selection)
- Atlantic acidophilous beech forests with *Ilex* and sometimes also *Taxus* in the shrub layer (Quercion *robori-petraeae* or *Ilici-Fagenion*) (primary reason for selection)
- *Asperulo-Fagetum* beech forests (primary reason for selection)
- Old acidophilous oak woods with *Quercus robur* on sandy plains (primary reason for selection)
- Bog woodland (primary reason for selection)
- Alluvial forests with *Alnus glutinosa* and *Fraxinus excelsior* (*Alno-Padion*, *Alnion incanae*, *Salicion albae*) (primary reason for selection)
- Transition mires and quaking bogs
- Alkaline fens

The New Forest SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex II species:

- Southern Damselfly *Coenagrion mercurial* (primary reason for selection)
- Stag Beetle *Lucanus cervus* (primary reason for selection)
- Great Crested Newt *Triturus cristatus*

The New Forest SPA

The New Forest SPA qualifies under Article 4.1 of the Birds Directive by supporting breeding populations of European importance of the following Annex I species:

- Dartford Warbler *Sylvia undata*
- Honey Buzzard *Pernis apivorus*
- Nightjar *Caprimulgus europaeus*
- Woodlark *Lullula arborea*

The SPA qualifies under Article 4.2 of the Birds Directive by supporting overwintering populations of European importance of the following migratory species:

- Hen Harrier *Circus cyaneus*

New Forest Ramsar Site

The New Forest Ramsar site qualifies under the following Ramsar criteria:

- Ramsar criterion 1: Valley mires and wet heaths are found throughout the site and are of outstanding scientific interest. The mires and heaths are within catchments whose uncultivated and undeveloped state buffer the mires against adverse ecological change. This is the largest concentration of intact valley mires of their type in Britain.

- Ramsar criterion 2: The site supports a diverse assemblage of wetland plants and animals including several nationally rare species. Seven species of nationally rare plant are found on the site, as are at least 65 British Red Data Book species of invertebrate.
- Ramsar criterion 3: The mire habitats are of high ecological quality and diversity and have undisturbed transition zones. The invertebrate fauna of the site is important due to the concentration of rare and scarce wetland species. The whole site complex, with its examples of semi-natural habitats is essential to the genetic and ecological diversity of southern England.

Solent Maritime SAC

The Solent Maritime SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex I habitats:

- Estuaries (primary reason for selection)
- Spartina swards (*Spartinion maritimae*) (primary reason for selection)
- Atlantic salt meadows (*Glauco-Puccinellietalia maritimae*) (primary reason for selection)
- Sandbanks which are slightly covered by sea water all the time
- Mudflats and sandflats not covered by seawater at low tide
- Coastal lagoons
- Annual vegetation of drift lines
- Perennial vegetation of stony banks
- Salicornia and other annuals colonising mud and sand
- Shifting dunes along the shoreline with *Ammophila arenaria* (“white dunes”)

Solent Maritime SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex II species:

- Desmoulin's whorl snail *Vertigo moulinsiana*

Solent and Southampton Water SPA

Solent and Southampton Water SPA qualifies under Article 4.1 of the Birds Directive by supporting breeding populations of European importance of the following Annex I species:

- Common Tern *Sterna hirundo*
- Little Tern *Sterna albifrons*
- Mediterranean Gull *Larus melanocephalus*
- Roseate Tern *Sterna dougallii*
- Sandwich Tern *Sterna sandvicensis*

The SPA qualifies under Article 4.2 of the Birds Directive by supporting overwintering populations of European importance of the following migratory species:

- Black-tailed Godwit *Limosa limosa islandica*
- Dark-bellied Brent Goose *Branta bernicla bernicla*
- Ringed Plover *Charadrius hiaticula*
- Teal *Anas crecca*

The SPA also qualifies under Article 4.2 of the Birds Directive by regularly supporting at least 20,000 waterfowl, including the following species:

- Gadwall *Anas strepera*
- Teal *Anas crecca*
- Ringed Plover *Charadrius hiaticula*
- Black-tailed Godwit *Limosa limosa islandica*
- Little Grebe *Tachybaptus ruficollis*
- Great Crested Grebe *Podiceps cristatus*
- Cormorant *Phalacrocorax carbo*

- Dark-bellied Brent Goose *Branta bernicla bernicla*
- Wigeon *Anas Penelope*
- Redshank *Tringa tetanus*
- Pintail *Anas acuta*
- Shoveler *Anas clypeata*
- Red-breasted Merganser *Mergus serrator*
- Grey Plover *Pluvialis squatarola*
- Lapwing *Vanellus vanellus*
- Dunlin *Calidris alpina alpina*
- Curlew *Numenius arquata*
- Shelduck *Tadorna tadorna*

Solent and Southampton Water Ramsar Site

The Solent and Southampton Water Ramsar site qualifies under the following Ramsar criteria:

- Ramsar criterion 1: The site is one of the few major sheltered channels between a substantial island and mainland in European waters, exhibiting an unusual strong double tidal flow and has long periods of slack water at high and low tide. It includes many wetland habitats characteristic of the biogeographic region: saline lagoons, saltmarshes, estuaries, intertidal flats, shallow coastal waters, grazing marshes, reedbeds, coastal woodland and rocky boulder reefs.
- Ramsar criterion 2: The site supports an important assemblage of rare plants and invertebrates. At least 33 British Red Data Book invertebrates and at least eight British Red Data Book plants are represented on site.
- Ramsar criterion 5: A mean peak count of waterfowl for the 5 year period of 1998/99 – 2002/2003 of 51,343
- Ramsar criterion 6: The site regularly supports more than 1% of the individuals in a population for the following species: Ringed Plover *Charadrius hiaticula*, Dark-bellied Brent Goose *Branta bernicla bernicla*, Eurasian Teal *Anas crecca* and Black-tailed Godwit *Limosa limosa islandica*.

Appendix 1 Nutrient Budget

Calculation using water rate of 110 litres waste water per person per day

Step	Measurement	Value	Unit	Explanation
Development Proposal	Development types that would increase the population served by a wastewater system	519	Residential dwellings	519 flats – studio, 1, 2 and 3 bed.
Step 1	Additional Population	1245.6	Persons	Based on the residential mix
Step 2	Wastewater volume generated by development	137,016	Litres/ day	1110 persons x 110 litres
Step 3	Receiving WWTW environmental permit limit for TN	10	Mg/l TN	
Step 4	TN discharged after WWTW	959,112	Mg/TN/day	70% of the consent limit = 7mg/l TN. 137,016 x 7
	Convert mg/TN to kg/TN per day	0.9591	Kg/TN/day	Divide by 1,000,000
	Convert kg/TN per day to kg/TN per year	350.08		x 365 days
Wastewater total nitrogen load	350.08kg/TN/yr			
Net N from land use change	0kg			
Precautionary buffer	70.02kg/TN/yr			
Total	420kg/TN/yr			

Planning and Rights of Way Panel 16th March 2021
Update to Planning Application Report of the Service Lead - Infrastructure, Planning & Development

Application address: Leisure World, West Quay Road			
Proposed development: Outline planning application for the demolition of the existing buildings and comprehensive redevelopment of the site comprising residential accommodated (Use Class C3), office floorspace (Use Class E), hotel accommodation (Use Class C1), cinema (sui generis use), casino (sui generis use) and other flexible business uses including retail and restaurants/cafes (Use Class E). With associated car and cycle parking, internal highways, open space, public realm and landscaping and ancillary works including utilities, surface water drainage, plant and equipment. Means of access for detailed consideration and layout, scale, external appearance and landscaping reserved matters for consideration (Environmental Impact Assessment Development).			
Application number:	20/01544/OUT	Case Officer:	Jenna Turner
Case officer:	Jenna Turner	Public speaking time:	15 minutes

- Delete Recommendation xiii for a Development Phasing Plan
- Add Recommendation to delegate the application for approval subject to the receipt of a satisfactory tree survey plan.
- Update to planning conditions attached to the report to:
 - Reword condition 1 to reflect the phased approach to development;
 - Additional condition to secure maximum quantum of development sought for approval;
 - Additional condition to secure the phasing plan, removed from the s106 agreement;
 - Additional condition to provide security measures as required by Hampshire Constabulary and;
 - Update all pre-commencement conditions to a phased approach.
- The District Valuation viability appraisal has been updated to reflect an increase in the estimated amount of the Community Infrastructure Levy that the development will be liable for (previously approx. £2m now approx. £4.5m). The result is that the deficit of the scheme has also increased to £25,717,825, which would result in a 6-7% profit from the development.

1.Outline Permission Timing Phased (Performance) Amended

Outline Planning Permission for the principle of the development, as set out on the submitted Parameter Plans and Design Codes, across the phases set out in Table 5-1 of the submitted Environmental Statement, is hereby approved. The following matter sought for consideration, namely the means of 'Access' (vehicular and pedestrian) into the site and the buildings, is approved subject to the following:

- (i) Written approval of the details of the following awaited reserved matters for each phase shall be obtained from the Local Planning Authority prior to any works taking place on that phase (excluding any demolition phase, site set up and/or site investigation works):
- the 'Layout' of buildings and external ancillary areas;
 - the 'Scale' massing and bulk of the development;
 - the 'External Appearance' and architectural design specifying the external materials to be used (see associated external materials condition below); and,
 - the 'Landscaping' (both hard and soft including tree pit details, all means of enclosure details, including any gated accesses, and ancillary works) with associated management.
- (ii) The development of Phase 0 and Phase 1 hereby permitted shall begin no later than three years from the date on which this planning permission was granted.
- (iii) The development of each subsequent phase hereby permitted (phases 2-4) shall be begun before the expiration of two years from the date of approval of the last application of the reserved matters to be approved for that phase of the regeneration project.

Applications seeking approval of reserved matters will be accompanied by a statement that demonstrates how the submission meets the principles and parameters of the Design Codes prepared by Corstorphine Wright and Macgregor Smith (ref: 18669-8019-P-01) (dated October 2020) or other versions as may be subsequently agreed in writing by the Local Planning Authority.

Reason: To enable the Local Planning Authority to control the development in detail and to comply with Section 91 and Section 92 of the Town and Country Planning Act 1990 (as amended).

2. Quantum of Development (Performance) Additional Condition

The quantum of the development hereby approved shall not exceed the following maximum levels:

- Up to 17,500 sqm GEA of hotel floorspace across two development plots
- Up to 9,800 sqm GEA of office floorspace
- Up to 650 residential units of accommodation and Class E floorspace to the ground floor of Plot 4 comprising up to 57,510 sqm GEA floorspace
- Up to 4,490 sqm GEA of cinema floorspace
- Up to 2,900 sqm GEA of casino floorspace
- Up to 2,600 sqm of leisure floorspace
- Up to 2,990 sqm GEA of Use Class E floorspace within Plot 1
- Up to 5,000 sqm GEA of Use Class E floorspace within Plot 6

Reason: To define the consent since outline planning permission is hereby granted on the maximum quantum of development as set out in the application submission.

3. Development Phasing (Performance Condition) Additional Condition

The phasing of the development hereby approved shall follow an implementation phasing programme in line with the submitted phasing information contained within the Environmental Statement, unless otherwise varied and agreed in writing by the Local Planning Authority prior to the submission of a Reserved Matters application for an alternative phasing programme.

4. Site Levels (Pre-Commencement) Amended Condition

No development shall take place (excluding any demolition phase, site set up and/or site investigation works) until further details of finished ground and floor levels have been submitted to and approved in writing by the Local Planning Authority on a phase by phase basis. These details shall relate to the phase to which development is to be implemented and shall include Above Ordnance Datum (AOD) for the proposed finished ground levels across the site, building finished floor levels and building finished eave and ridge height levels and shall be shown in relation to off-site AOD. The development shall be completed in accordance with these agreed details.

Reason: To fully understand the height of buildings in relation to one another and the infrastructure since the site will be cleared and re-profiled.

5. Archaeological investigation (Pre-Commencement) Amended Condition

No development shall take place within the site until the implementation of a programme of archaeological work on a phase by phase basis has been secured in accordance with a written scheme of investigation which has been submitted to and approved by the Local Planning Authority. This detail shall be submitted on a phase by phase basis with the information provided in support of the associated phase prior to the commencement of any development works (including any demolition phase, site set up and/or site investigation works).

Reason: To ensure that the archaeological investigation is initiated at an appropriate point in development procedure.

6. Archaeological work programme (Performance)

The developer will secure the completion of a programme of archaeological work on a phase by phase basis in accordance with a written scheme of investigation which has been submitted to and approved by the Local Planning Authority. This detail shall be submitted on a phase by phase basis with the information provided in support of the associated phase prior to the commencement of any development works (including any demolition phase, site set up and/or site investigation works).

Reason: To ensure that the archaeological investigation is completed.

7. Land Contamination investigation and remediation (Pre-Commencement & Occupation) Amended Condition

Prior to the commencement of development of each phase approved by this planning permission (or such other date or stage in development as may be agreed in writing

with the Local Planning Authority), a scheme to deal with the risks associated with contamination of the site shall be submitted to and approved by the Local Planning Authority. That scheme shall include all of the following phases, unless identified as unnecessary by the preceding phase and approved in writing by the Local Planning Authority:

1. A desk top study including;
 - historical and current sources of land contamination
 - results of a walk-over survey identifying any evidence of land contamination
 - identification of the potential contaminants associated with the above
 - an initial conceptual site model of the site indicating sources, pathways and receptors
 - a qualitative assessment of the likely risks
 - any requirements for exploratory investigations.
2. A report of the findings of an exploratory site investigation, characterising the site and allowing for potential risks (as identified in phase 1) to be assessed.
3. A scheme of remediation detailing the remedial actions to be taken and how they will be implemented.

On completion of the works set out in (3) a verification report shall be submitted to the Local Planning Authority confirming the remediation actions that have been undertaken in accordance with the approved scene of remediation and setting out any measures for maintenance, further monitoring, reporting and arrangements for contingency action. The verification report shall be approved by the Local Planning Authority prior to the occupation or operational use of any stage of the development.

Any changes to these agreed elements require the express consent of the local planning authority.

Reason: To ensure land contamination risks associated with the site are appropriately investigated and assessed with respect to human health and the wider environment and where required remediation of the site is to an appropriate standard.

8. Use of uncontaminated soils and fill (Performance Condition)

Clean, uncontaminated soil, subsoil, rock, aggregate, brick rubble, crushed concrete and ceramic shall only be permitted for infilling and landscaping on the site. Any such materials imported on to the site must be accompanied by documentation to validate their quality and be submitted to the Local Planning Authority for approval prior to the occupancy of the site.

Reason: To ensure imported materials are suitable and do not introduce any land contamination risks onto the development.

9. Unsuspected Contamination (Performance Condition)

The site shall be monitored for evidence of unsuspected contamination throughout construction. If potential contamination is encountered that, has not previously been identified, no further development shall be carried out unless otherwise first agreed in writing by the Local Planning Authority. Works shall not recommence until an assessment of the risks presented by the contamination has been undertaken and the details of the findings and any remedial actions has been submitted to and approved by the Local Planning Authority in writing. Any changes to the agreed remediation actions will first require the express written consent of the Local Planning Authority.

Reason: To ensure any land contamination not previously identified is assessed and remediated so as not to present any significant risks to human health or, the wider environment.

10. Southern Water Public Water Supply Protection and Diversion

Prior to the commencement of the development hereby approved, details of measures to protect the public water supply main shall be submitted to and agreed in writing by the Local Planning Authority, in consultation with Southern Water. The development shall be carried out in accordance with the agreed details.

Reason: To secure the sewage infrastructure on site.

11. Southern Water Drainage (Pre-commencement) Amended

Prior to the commencement of each phase of the development hereby approved details of foul and surface water disposal for the relevant phase shall be submitted and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the agreed details.

Reason: To ensure a satisfactory form of development.

12. Sustainable Drainage (Pre-Commencement)

No building within an individual phase hereby permitted shall be occupied until surface water drainage works, for that respective phase, have been implemented in accordance with details that have been first submitted to and approved in writing by the local planning authority. Before these details are submitted an assessment shall be carried out of the potential for disposing of surface water by means of a sustainable drainage system in accordance with the principles set out in the non-statutory technical standards for SuDS published by Defra (or any subsequent version). The results of the assessment shall provided to the local planning authority. Where a sustainable drainage scheme is to be provided, the submitted details shall:

- i. provide information about the design storm period and intensity, the method employed to delay and control the surface water discharged from the site and the measures taken to prevent pollution of the receiving groundwater and/or surface waters;
- ii. include a timetable for its implementation; and
- iii. provide a management and maintenance plan for the lifetime of the development which shall include the arrangements for adoption by any public authority or statutory undertaker and any other arrangements to secure the operation of the scheme throughout its lifetime.

Reason: To seek suitable information on Sustainable Drainage Systems as required by government policy and Policy CS20 of the Southampton Core Strategy (Amended 2015).

13. Details of building materials to be used (Pre-Commencement) Amended Condition

Notwithstanding the information shown on the approved drawings and application form, prior to the commencement of any above ground work for the construction of buildings in each phase (excluding demolition/site setup/site investigation works) a written schedule of external materials and finishes for that phase, including samples and sample panels where necessary shall be submitted to and approved in writing by the Local Planning Authority. These shall include full details of the manufacturer's composition, types and colours of the external materials to be used for external walls, windows, doors, rainwater goods, and the roof of the proposed buildings. Development shall be implemented only in accordance with the agreed details.

Reason: To enable the Local Planning Authority to control the development in detail in the interests of amenity by endeavouring to achieve a building of visual quality.

14. BREEAM Standards (Pre-commencement) Amended Condition

With the exception of site clearance, demolition and preparation works, before the development commences on non-residential uses within each phase of the development, written documentary evidence demonstrating that the commercial development within the relevant phase will achieve at minimum Excellent against the (2018) BREEAM Standard, including 5 credits in Ene 01, and a minimum 60% overall, (or Excellent under the 2014 assessment), in the in the form of a design stage report, is submitted to the Local Planning Authority for its approval, unless an otherwise agreed timeframe is agreed in writing by the LPA.

Reason: To ensure the development minimises its overall demand for resources and to demonstrate compliance with policy CS20 of the Local Development Framework Core Strategy Development Plan Document Adopted Version (January 2010).

15. BREEAM Standards (Performance) Amended Condition

Within 6 months of any part of the commercial and retail development first becoming occupied, written documentary evidence proving that the development has achieved at minimum Excellent against the BREEAM Standard, including 5 credits in Ene 01, and a minimum 60% overall, (or Excellent under the 2014 assessment), in the form of post construction assessment and certificate as issued by a legitimate BREEAM certification body shall be submitted to the Local Planning Authority for its approval.

Reason: To ensure the development has minimised its overall demand for resources and to demonstrate compliance with policy CS20 of the Local Development Framework Core Strategy Development Plan Document Adopted Version (January 2010).

16. Sustainable measures (Pre-Commencement)

Prior to the commencement of each phase of the development (excluding site setup/demolition/site investigation works) the following information for that phase shall be submitted to and approved in writing by the Local Planning Authority:

- Set out how exploration of embodied carbon has informed decision making on materials
- Set out how energy storage will be integrated into the development
- Complete the GHA overheating tool as a means of identifying potential issues and demonstrate how these issues can be overcome.
- Life cycle assessment to be conducted
- Post-occupancy evaluation and energy performance
- Identify rainwater and greywater systems. If not included robust evidence supplied to demonstrate why they are not technically feasible.
- Detail on the re-use of existing materials to be provided through the pre-demolition audit

The approved scheme shall then be provided in accordance with these details prior to the first occupation of the development hereby granted consent.

Reason: To ensure the development minimises overall demand for resources and is compliant with the City of Southampton Core Strategy Development Plan Document (January 2010) policy CS20, the City of Southampton Local Plan (March 2006) policies SDP13 and SDP6, Southampton's Green City Charter and Plan (2020)

17. Energy Strategy (Pre-Commencement) Amended Condition

Prior to the commencement of each phase of the development (excluding site setup/demolition/site investigation works) a confirmed energy strategy shall be submitted to and approved in writing by the Local Planning Authority for the relevant phase which included the enhanced passive measures, and zero or low carbon energy technologies that will:

- Aspire to net zero carbon, with a minimum reduction in CO2 emissions of the greater of at least 17% over part L Building Regulations Target Emission

Rates (using Part L 2013 carbon factors), or minimum national building regulation requirements at the time;

- Have a total Energy Use Intensity (EUI) equal to or less than 35 kWh/m²/yr (GIA) for residential and for non-domestic buildings a minimum DEC B (40) rating should be achieved and/or an EUI equal or less than: 70 kWh/m²/yr (NLA) or 55 kWh/m²/yr (GIA) for commercial offices;
- Space heating demand should be less than 15 kWh/m²/yr for all building types.

The measures set out in the agreed strategy shall be installed and rendered fully operational prior to the first occupation of the development hereby granted consent and retained thereafter.

Reason: To ensure the development has minimised its overall demand for resources and to demonstrate compliance with policy CS20 of the Local Development Framework Core Strategy Development Plan Document Adopted Version (January 2010), and the Southampton City Charter and Plan (2020).

18. Ecological Mitigation Statement (Pre-Commencement) Amended Condition

Prior to the commencement of each phase of the development (excluding site setup/demolition/site investigation works) the developer shall submit a programme of habitat and species mitigation and enhancement measures for that phase, which unless otherwise agreed in writing by the Local Planning Authority, shall be implemented in accordance with the programme before any demolition work or site clearance takes place. The agreed mitigation measures shall be thereafter retained as approved.

Reason: To safeguard protected species under the Wildlife and Countryside Act 1981 (as amended) in the interests of preserving and enhancing biodiversity.

19. Protection of nesting birds (Performance)

No clearance of vegetation likely to support nesting birds shall take place between 1 March and 31 August unless a method statement has been first submitted to and agreed in writing by the Local Planning Authority and works implemented in accordance with the agreed details.

Reason: For the safeguarding of species protected by The Wildlife & Countryside Act 1981 (as amended) and the conservation of biodiversity

20. Green roof scheme (Pre-Commencement) Amended Condition

Prior to the commencement of each respective phase of the development hereby approved (with the exception of site setup/demolition/site investigation works), a scheme for the installation of green roofs for that phase shall be submitted to and approved in writing by the Local Planning Authority for that phase. Before the relevant phase first comes into use or occupation, a green roof shall be completed in

accordance with a specification and management plan to be first submitted to and approved in writing by the Local Planning Authority.

The green roof must be installed to the approved specification before the relevant phase first comes into use or during the first planting season following the full completion of building works, whichever is sooner. The approved scheme shall be maintained for a minimum period of 5 years following its complete provision. If the green roof dies, fails to establish or becomes damaged or diseased within a period of 5 years from the date of planting, shall be replaced by the Developer in the next planting season with others of a similar size and species unless the Local Planning Authority gives written consent to any variation. The Developer shall be responsible for any replacements for a period of 5 years from the date of planting.

Reason: To reduce flood risk and manage surface water runoff in accordance with core strategy policy CS20 (Tackling and Adapting to Climate Change) and CS23 (Flood risk), combat the effects of climate change through mitigating the heat island effect in accordance with policy CS20, enhance energy efficiency through improved insulation in accordance with core strategy policy CS20, promote biodiversity in accordance with core strategy policy CS22 (Promoting Biodiversity and Protecting Habitats), contribute to a high quality environment and 'greening the city' in accordance with core strategy policy CS13 (Design Fundamentals), and improve air quality in accordance with saved Local Plan policy SDP13.

21. Submission of a Bird Hazard Management Plan (Pre-commencement) Amended Condition

Prior to the commencement of each phase of the development (excluding site setup/demolition/site investigation works) a Bird Hazard Management Plan for that phase shall be submitted to and approved in writing by the Planning Authority. The submitted plan shall include details of the management of the roof area and any solar panels within the site which may be attractive to nesting, roosting and "loafing" birds. The management plan shall comply with Advice Note 3 'Wildlife Hazards around Aerodromes'

The Bird Hazard Management Plan shall be implemented as approved on completion of the development and shall remain in force for the life of the building. No subsequent alterations to the plan are to take place unless first submitted to and approved in writing by the Planning Authority.

Reason: To avoid endangering the safe movement of aircraft and the operation of Southampton Airport through the attraction of birds and an increase in the bird hazard risk of the application site.

22. Tree Retention and Safeguarding (Pre-Commencement)

Prior to the commencement of any development, including site clearance and demolition, details of tree protection measures shall be submitted to and approved in

writing by the Local Planning Authority. The tree protection measures shall be provided in accordance with the agreed details before the development commences and retained, as approved, for the duration of the development works. No works shall be carried out within the fenced off area. All trees shown to be retained on the plans and information hereby approved and retained pursuant to any other condition of this decision notice, shall be fully safeguarded during the course of all site works including preparation, demolition, excavation, construction and building operations.

Reason: To ensure that trees to be retained will be adequately protected from damage throughout the construction period

23. Road Construction (Pre-Commencement Condition) Amended Condition

Before the development of each phase commences, the following information for the relevant phase shall be submitted to and agreed in writing by Local Planning Authority:

- A specification of the type of construction proposed for the roads, cycleways and footpaths including all relevant horizontal cross-sections and longitudinal sections showing existing and proposed levels together with details of street lighting, signing, white lining and the method of disposing of surface water.
- A programme for the making up of the roads and footpaths to a standard suitable for adoption by the Highway Authority.

The development shall be carried out in accordance with the agreed details.

Reason: To ensure that the roads and footpaths are constructed in accordance with standards required by the Highway Authority.

24. Electric Vehicle Spaces (Pre-Use) Amended Condition

Prior to each phase of the development hereby approved first coming into use, details of parking spaces with charging facilities for electric vehicles for spaces that serve that phase of development shall be provided in accordance with a scheme to be first submitted to and approved in writing by the Local Planning Authority. The spaces and charging infrastructure shall be thereafter retained as approved and used only for electric vehicles.

Reason: In the interest of reducing emissions from private vehicles and improving the city's air quality.

25. Noise - plant and machinery (Pre-Use) Amended Condition

Prior to each phase of the development containing non-residential uses first coming into use, details of measures to minimise noise from plant and machinery associated with the commercial uses within the relevant phase of development shall be submitted to and approved in writing by the Local Planning Authority. The development shall be implemented in accordance with the agreed details before the

use hereby approved commences and thereafter retained as approved.

Reason: To protect the amenities of the occupiers of existing nearby properties.

26. Noise Mitigation Measure – Residential (Pre-commencement) Amended Condition

Prior to each phase of the development containing residential commencing, mitigation measures for the respective phase to protect residents from external noise sources shall be submitted to and agreed in writing by the Local Planning Authority. The measures shall thereafter be implemented as approved.

Reason: In the interest of residential amenity and to ensure that the development does not act as an 'agent of change' for the Port of Southampton.

27. Hours of Delivery Restriction (Performance)

No deliveries shall be taken or despatched from the non-residential uses outside of the hours of 07:00 to 22:00 daily.

Reason: In order to control the use in the interests of amenity.

28. Hours of work for Demolition / Clearance / Construction (Performance)

All works relating to the demolition, clearance and construction of the development hereby granted shall only take place between the hours of:

Monday to Friday 08:00 hours to 18:00 hours (8.00am to 6.00pm)

Saturdays 09:00 hours to 17:00 hours (9.00am to 5.00pm)

And at no time on Sundays and recognised public holidays.

Any works outside the permitted hours shall be confined to the internal preparations of the buildings without audible noise from outside the building, unless otherwise agreed in writing by the LPA.

Notwithstanding the above restrictions the date/time of delivery to site and erection of any tower cranes required to construct the development outside of these permitted hours shall be agreed in writing with the Local Planning Authority, in consultation with the Highways Department, prior to their delivery within each phase.

Reason: To protect the amenities of the occupiers of existing nearby residential properties as agreed by the Council's Environmental Health Officer.

29. Retail Floorspace Restriction (Performance)

Notwithstanding the provisions of the Town and Country Planning (Use Classes) Order 1987, as amended, and the Town and Country Planning (General Permitted Development) Order 2015 as amended, or in any other statutory instrument

amending, revoking and re-enacting these Orders, retail floorspace within the Class E uses hereby approved shall not exceed 750sq.m.

Reason: To ensure that the amount of retail floorspace does not adversely affect the viability and vitality of the core shopping areas within the city centre.

30. Safety and Security (Pre-commencement)

No development shall take place within such part of the site to which a phase relates, (excluding any demolition, site clearance, site enabling works or associated investigative works that may take place prior to the further submission of these details) until a scheme of safety and security measures for that phase/building including:

- i. concierge arrangements with 24-hour on-site management;
- ii. door types of the storage areas;
- iii. outer communal doorsets and the flat access doorsets;
- iv. ground floor windows;
- v. audio/visual control through the communal access doors;
- vi. security of the car parking areas; and,
- vii. a lighting plan.

has been submitted to and approved in writing by the Local Planning Authority. The approved measures shall be implemented before first occupation of each building to which the agreed works relate, and shall be retained thereafter unless otherwise agreed in writing by the Local Planning Authority.

Reason: In the interests of safety and security of all users of the development and as the basement provides access to residents and the public.

31. Approved Plans (Performance)

The development hereby permitted shall be carried out in accordance with the approved plans listed in the schedule attached below, unless otherwise agreed in writing with the Local Planning Authority.

Reason: For the avoidance of doubt and in the interests of proper planning.

- a. 18669-0303-P-01 Parameter plan development zones and plot boundaries
- b. 18669-0304-P-01 Parameter plan at grade land use
- c. 18669-0305-P-01 Parameter plan first floor and above land use
- d. 18669-0306-P-01 Parameter plan proposed site levels
- e. 18669-0307-P-01 Parameter plan amenity play and publicly accessible open space
- f. 18669-0308-P-01 Parameter plan vehicular access and circulation
- g. 18669-0311-P-01 Parameter plan Maximum AOD building heights

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Valuation Office
Agency

DVS Property Specialists
for the Public Sector

Updated Viability Report for Leisure World West Quay Road Southampton

Report for:
Simon Mackie
Southampton City Council

Prepared by:
[REDACTED] BSc MRICS
RICS Registered Valuer
DVS

Tel: [REDACTED]

Case Number: 1755101

Client Reference: 20/01544/OUT

Date: 9 March 2021

Contents

1.	Executive Summary	1
2.	Introduction	3
3.	Date of Assessment / Date of Report.....	3
4.	Viability Methodology / Professional Guidance	4
5.	RICS Financial Viability in Planning Conduct and Reporting	4
6.	Restrictions on Disclosure / Publication	5
7.	Validity	6
8.	Confirmation of Standards	6
10.	Conflict of Interest	7
11.	Engagement.....	7
12.	Status of Valuer	7
13.	Assessment Details.....	7
14.	Date of Inspection	8
15.	Planning Policy / Background	8
16.	Local Plan Policy Scheme Requirements / S106 Costs.....	8
17.	Development Scheme / Special Assumptions.....	9
18.	Development Scheme information and Assessment.....	11
19.	Benchmark Land Value (BLV).....	18
20.	Applicants Viability Assessment.....	19
21.	Conclusions / Presentation of DVS Results	19
22.	Sensitivity Analysis and Testing	19
23.	Comments and Recommendations	20
24.	Appendices	22
24.1	Development Appraisal – Proposed Scheme including Ground Rents.....	23
24.2	Development Appraisal – Proposed Scheme excluding Ground Rents.....	24
24.3	Sensitivity Appraisal including a MSCP value	25
24.4	Terms of Engagement	26

1. Executive Summary

1.1 Proposed Development Details

This updated report provides an Independent Review of a Financial Viability Appraisal in connection with:

Proposed Development	Outline planning application for the demolition of existing buildings and comprehensive redevelopment of the site comprising residential accommodation (Use class C3), office floorspace (Use Class E), hotel accommodation (Use Class C1), cinema (Sui Generis Use), casino (Sui Generis Use) and other flexible business uses including retail and restaurants/cafes (Use Class E). With associated car and cycle parking, internal highways, open space, public realm and landscaping and ancillary works including utilities, surface water drainage, plant and equipment. Means of access for detailed consideration and layout, scale, external appearance and landscaping reserved matters for consideration.
Subject of Assessment:	Leisure World, West Quay Road, Southampton SO15 1RE
Planning Ref:	20/01544/OUT
Applicant:	Sovereign Centros On Behalf of Triton Property
Applicant's Viability Advisor:	Quod

Non-Technical Summary of Viability Assessment Inputs

Proposed Scheme Inputs	Quod	DVS Viability Review	Agreed (Y/N)
Assessment Date	October 2020	March 2021	
Scheme, Net and Gross Internal Area	For Sale Residential - 20,553m2 net BTR Residential - 19,249 m2 net Hotel/Apart Hotel 9,910 m2 Hotel - 5,142 m2 Cinema – 4,265 m2 Casino – 2,192 m2 Leisure – 2,282 m2	For Sale Residential – 20,553 m2 BTR Residential – 19,249 m2 Hotel/Apart Hotel – 9,910 m2 Hotel – 5,142 m2 Cinema – 4,265 m2 Casino – 2,192 m2 Leisure – 2,282 m2	Y

	A3 units – 1,515 m2 Offices – 8,375 m2 Health & Wellness – 4,674 m2 Total Gross -90,952 m2	A3 units – 1,515 m2 Offices – 8,375 m2 Health & Wellness – 4,674 m2 Total Gross – 90,952 m2	
Construction Period Sale Period	Total - 64 months For Sale - 16 months BTR - 1 month after PC Commercial – 1 month after PC	Total - 64 months For Sale - 16 months BTR - 1 month after PC Commercial – 1 month after PC	Y
Gross Development Value	£286,452,647	£288,488,623	N
For Sale Housing	£88,492,800 £4,306 per m2	£88,492,800 £4,306 per m2	Y
BTR Housing	£76,662,520 gross	£76,662,520 gross	Y
Affordable Housing	N/A	N/A	Y
Commercial incl ground rents, retail and car parking	£126,164,750 gross	£128,219,703 gross	N
Purchasers Costs	£4,867,423	£4,886,400	N
Planning Policy / S.106 Total	CIL - Nil S.106 – Nil Flood Man - Nil	CIL - £4,584,580 S.106 - £1,806,120 Flood Man - £1,345,150	N N N
Construction Cost Inc. Externals & Abnormals.	£218,956,776	£204,809,462	N
Contingency	5%	5%	Y
Professional Fees & Surveys etc	10%	10%	Y
Finance Interest and Sum	6.5% debit rate 0.0% credit rate	6.5% debit rate 2.0% credit rate	Y N
Other Fees			
Marketing Fees	2.0%	1.5%	N
Sales / Agency Fees	1%	1%	Y
Legal Fees	0.5%	0.25%	N
Commercial Letting	15%	15%	Y
Commercial Sale Fees	1.5%	1.25%	N
Land Acquiring Costs	N/A	N/A	Y
Profit Target %	For Sale - 20% of GDV BTR – 15% of GDV Commercial - 15% of GDV	For Sale - 17.5% of GDV BTR – 15% of GDV Commercial 15% of GDV	N Y Y
EUV	N/A	N/A	
EUV Premium to BLV	N/A	N/A	
AUV	N/A	N/A	
Benchmark Land Value	N/A	N/A	

Purchase Price (if relevant)	N/A	N/A	
Viability Conclusion	Profit of £8,908,480 (3.06% of GDV) Deficit excluding land - £36,923,944 (Estimated)	Profit of £19,350,789 (6.71 of GDV) Deficit excluding land - £25,717,825	N N
	Scheme Not Viable	Scheme Not Viable	Y

2. Introduction

2.1 I refer to your instructions dated 20 November 2020 and my Terms of Engagement dated 27 April 2020.

2.2 This opinion of the development viability of the proposed development scheme assessed is based on a review of the planning applicants/agents report dated October 2020 submitted to the Local Authority.

2.3 As this is a desk top assessment I have not inspect the site and I have now finalised my viability assessment and I am pleased to report to you as follows.

2.4 A copy of my Terms of Engagement dated 27 April 2020 are attached.

2.5 Identification of Client

Southampton City Council

2.6 Purpose of Assessment

It is understood that the Southampton City Council require an independent opinion on the viability information provided by Quod, in terms of the extent to which the accompanying appraisal is fair and reasonable and whether the assumptions made are acceptable and can be relied upon to determine the viability of the scheme.

2.7 Subject of the Assessment

Leisure World, West Quay Road, Southampton SO15 1RE

3. Date of Assessment / Date of Report

The date of updated viability assessment is 9 March 2021

Please note that values change over time and that a viability assessment provided on a particular date may not be valid at a later date.

4. Viability Methodology / Professional Guidance

4.1 The review of the applicant's viability assessment has been prepared in accordance with the recommended practice set out in the National Planning Policy Framework; the NPPG on Viability (July 2018, updated May 2019, September 2019) and the Royal Institution of Chartered Surveyors (RICS) Professional Statement, Financial Viability in Planning (**FVIP: Conduct and Reporting**) (effective from 1st September 2019) and the RICS (**FVIP**) Guidance Note (1st Edition) (GN 94/2012), where applicable.

4.2 The Residual appraisal methodology is established practice for viability assessments. In simple terms the residual appraisal formula is:

Gross Development Value less Total Development Cost (inclusive of S106 obligations, abnormal development costs and finance) less Profit, equals the Residual Land Value.

4.3 The Residual Land Value is then compared to the Benchmark Land Value as defined in the Planning Practice Guidance on Viability. Where the Residual Land Value produced from an appraisal of a policy compliant scheme is in excess of the Benchmark Land Value the scheme is financially viable, and vice versa:

Residual Land Value > Benchmark Land Value = Viable
Residual Land Value < Benchmark Land Value = Not Viable

4.4 The appraisal can be rearranged to judge the viability of a scheme in terms of the residual profit, which is compared to the target profit:

Residual Profit > Target Profit = Viable
Residual Profit < Target Profit = Not Viable

4.5 For this case the DVS appraisal produces a deficit /surplus which is the same method as Quod and compared against the target Profit.

5. RICS Financial Viability in Planning Conduct and Reporting

In accordance with the above professional standard it is confirmed that:

5.1 In carrying out this viability assessment review the valuer has acted with objectivity impartiality, without interference and with reference to all appropriate sources of information.

5.2 The professional fee for this report is not performance related and contingent fees are not applicable.

- 5.3 DVS are not currently engaged in advising this local planning authority in relation to area wide viability assessments in connection with the formulation of future policy.
- 5.4 The appointed valuer, [REDACTED] BSc MRICS, Registered Valuer is not currently engaged in advising this local planning authority in relation to area wide viability assessments in connection with the formulation of future policy.
- 5.5 Neither the appointed valuer, nor DVS advised this local planning authority in connection with the area wide viability assessments which supports the existing planning policy.
- 5.6 DVS are employed to independently review the applicant's financial viability assessment, and can provide assurance that the review has been carried out with due diligence and in accordance with section 4 of the professional standard. It is also confirmed that all other contributors to this report, as referred to herein, have complied with the above RICS requirements.

6. Restrictions on Disclosure / Publication

- 6.1 The report has been produced for Southampton City Council only. DVS permit that this report may be shared with the applicant and their advisors as listed above, as named third parties.
- 6.2 The report should only be used for the stated purpose and for the sole use of your organisation and your professional advisers and solely for the purposes of the instruction to which it relates. Our report may not, without our specific written consent, be used or relied upon by any third party, permitted or otherwise, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our report. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report.
- 6.3 Planning Practice Guidance for viability promotes increased transparency and accountability, and for the publication of viability reports. However, it has been agreed that your authority, the applicant and their advisors will neither publish nor reproduce the whole or any part of this report, nor make reference to it, in any way in any publication. It is intended that a final report will later be prepared, detailing the agreed viability position or alternatively where the stage one report is accepted a redacted version will be produced, void of personal and confidential data, and that this approved document will be available for public consumption.
- 6.4 None of the VOA employees individually has a contract with you or owes you a duty of care or personal responsibility. It is agreed that you will not bring any claim against any such individuals personally in connection with our services.

6.5 This report is considered Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006 and your council is expected to treat it accordingly.

7. Validity

This report remains valid for 3 months from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

8. Confirmation of Standards

8.1 The viability assessment review has been prepared in accordance with paragraph 57 of the National Planning Policy Framework, which states that all viability assessments should reflect the recommended approach in the National Planning Practice Guidance on Viability, (July 2018, updated May 2019 and September 2019).

8.2 The viability assessment review report has been prepared in accordance with the Professional Statement Financial Viability in Planning: Conduct and Reporting (effective from 1st September 2019). Regard has been made to the RICS Guidance Note "Financial Viability in Planning" 1st Edition (GN 94/2012), where applicable.

8.3 Valuation advice (where applicable) has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards 2020 and RICS UK National Supplement, commonly known together as the Red Book. Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

8.4 Whilst professional opinions may be expressed in relation to the appraisal inputs adopted, this consultancy advice is to assist you with your internal decision making and for planning purposes, and is not formal valuation advice such as for acquisition or disposal purposes. It is, however, understood that our assessment and conclusion may be used by you as part of a negotiation, therefore RICS Red Book professional standards PS1 and PS2 are applicable to our undertaking of your case instruction, compliance with the technical and performance standards at VPS1 to VPS 5 is not mandatory (PS 1 para 5.4) but remains best practice and they will be applied to the extent not precluded by your specific requirement.

8.5 Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

8.6 Where relevant measurements stated will in accordance with the RICS Professional Statement 'RICS Property Measurement' (2nd Edition) and, the RICS Code of Measuring Practice (6th Edition).

8.7 Agreed Departures from the RICS Professional Standards.

8.7.1 As agreed, any commercial and residential property present has been reported upon using a measurement standard other than IPMS, and specifically Net Internal Area has been used for value and Gross Internal Area for costs. Such a measurement is an agreed departure from 'RICS Property Measurement (2nd Edition)'. This method of measurement is standard practice for Viability assessments.

8.8 It is agreed that the DVS terms of engagement appended to this report will omit commercially confidential and personal data.

10. Conflict of Interest

10.1 In accordance with the requirements of RICS Professional Standards, DVS as part of the VOA has checked that no conflict of interest arises before accepting this instruction. It is confirmed that DVS are unaware of any previous conflicting material involvement and is satisfied that no conflict of interest exists.

10.2 It is confirmed that the valuer appointed has no personal or prejudicial conflict in undertaking this instruction. It is confirmed that all other valuers involved in the production of this report have also declared they have no conflict assisting with this instruction. Should any conflict or difficulty subsequently be identified, you will be advised at once and your agreement sought as to how this should be managed.

11. Engagement

11.1 The DVS valuer has / has not conducted any discussions negotiations with the applicant or any of their other advisors other than requests for confirmation of details provided.

12. Status of Valuer

12.1 It is confirmed that the viability assessment has been carried out by [REDACTED] BSc MRICS, Registered Valuer, acting in the capacity of an external valuer, who has the appropriate knowledge, skills and understanding necessary to undertake the viability assessment competently and is in a position to provide an objective and unbiased review. [REDACTED] is referred hereafter and in redacted correspondence as 'the DVS reviewer'.

13. Assessment Details

13.1 Location / Situation

The site is located on the edge of the city centre, approx 0.5 kilometres from the train station and close to all the major city centre facilities including the Westquay Shopping Centre. The site is bounded by uses associated with port uses, car parking, cruise terminal and industrial uses plus access roads.

13.2 Description

The existing site comprises the Odeon IMAX cinema, Oceana nightclub, Grosvenor Casino, restaurants and food outlets forming a leisure complex known as Leisure World. In addition the site includes the former John Lewis distribution warehouse and a public house and parking.

13.3 Site Area

The planning application form states that the site area is 6.25 hectares (15.44 acres)

14. **Date of Inspection**

As agreed with the Council the property has not been inspected but it is well known to the DVS Reviewer.

15. **Planning Policy / Background**

The current application, the subject of this review, is reference 20/01544/OUT - Outline planning application for the demolition of existing buildings and comprehensive redevelopment of the site comprising residential accommodation (Use class C3), office floorspace (Use Class E), hotel accommodation (Use Class C1), cinema (Sui Generis Use), casino (Sui Generis Use) and other flexible business uses including retail and restaurants/cafes (Use Class E). With associated car and cycle parking, internal highways, open space, public realm and landscaping and ancillary works including utilities, surface water drainage, plant and equipment. Means of access for detailed consideration and layout, scale, external appearance and landscaping reserved matters for consideration. Status Awaiting decision.

In addition to the NPPF and NPPG the Southampton Development plan comprises:

- The City Centre Action Plan 2015
- Amended Southampton Core Strategy 2015
- Amended Local Plan Review 2015
- Policy CS15 provides for 35% affordable housing on sites of 15 or more net dwellings.

16. **Local Plan Policy Scheme Requirements / S106 Costs**

I'm advised that in accordance with policy CS15 35% affordable housing is required plus the following planning obligations:

- Highways/Transport – £750,000 (Estimated)
- Solent Disturbance Mitigation Project - £598,599
- Employment & Skills Plan - £84,321

- Carbon Management Plan - £343,200
- Late Night Community Safety Facilities - £30,000
- Total 106 - £1,806,120
- Site Flood Plan - £1,345,150
- CIL - £4,584,580.47

Quod have excluded any CIL and section 106 contributions.

17. Development Scheme / Special Assumptions

17.1 The following assumptions and special assumptions have been agreed with the Council and applied:

- that your council's planning policy, or emerging policy, for affordable housing is up to date
- There are no abnormal development costs in addition to those which the applicant has identified, and (for cases with no QS review) the applicant's abnormal costs, where supported, are to be relied upon to determine the viability of the scheme, unless otherwise stated in our report.

17.2 Scheme Floor Areas

Measurements stated are in accordance with the RICS Professional Statement '**RICS Property Measurement' (2nd Edition)**, and where relevant, the **RICS Code of Measuring Practice (6th Edition)**.

As agreed, any commercial and residential property present has been reported upon using a measurement standard other than IPMS, and specifically Net Internal Area has been used for value and Gross Internal Area for costs. Such a measurement is an agreed departure from 'RICS Property Measurement (2nd Edition)'. This method of measurement is standard practice for Viability assessments.

An outline area schedule has been provided for the mixed use scheme which has been adopted as follows:

Proposed Mixed Use Scheme

Type / Description	No of Units	Total Sq m	Total Sq Ft	Total Gross Sq m	Net to Gross Ratio
Phase 1					
Hotel/Apart Hotel	230 beds	9,910	106,671	9,910	100%
Casino		2,192	23,595	2,192	100%
Cinema		4,265	45,913	4,265	100%
A3 Retail		1,515	16,303	1,515	100%
D2 Leisure		2,282	24,568	2,282	100%

Phase 2					
Offices		8,375	90,146	9,305	90%
Build to Rent Units					
Studio	10				
1 Bed	117				
2 Bed	172				
3 Bed	11				
Total B to R	310	19,249	207,196	24,902	77.30%
Phase 3					
For Sale Units					
Studio	23				
1 Bed	158				
2 Bed	139				
3 Bed	20				
Total	340	20,553	221,232	26,765	76.80%
Hotel	145 beds	5,142	55,348	5,142	100%
Phase 4					
Health & Wellness		4,674	50,311	4,674	100%
Total Residential	650	39,802	428,428	51,667	77%
Total Hotels	375 beds	15,052	162,019	15,052	100%
Commercial		23,303	250,836	24,233	96%
Overall Total		78,157	841,283	90,952	86%
Multi Storey CP	863 spaces	23,604	254,073	23,604	
Podium Parking	139 spaces	4,439	47,781	4,439	

According to the outline area schedule the gross internal area of the residential is 51,667 sq m which represents a net to gross ratio of 77% which is within the range we would normally expect for scheme of this type.

In respect of the offices the net to gross ratio is 90% which again is within the range we would normally expect whilst the remainder of the commercial is at 100%.

17.3 Mineral Stability

The property is not in an underground mining area and a Mining Subsidence Report has not been obtained.

17.4 Environmental Factors Observed or Identified

Not applicable although flood protection works are required.

17.5 Tenure

We assume the site is held Freehold with vacant possession

17.6 Easements and Restrictions

It is assumed that there are no easements or restrictions affecting the property.

17.7 Services

It is assumed that all services are available to the site.

17.8 Access and Highways

It is assumed that access is available from the adopted highway.

18. **Development Scheme information and Assessment**

This report deals with each major input into the viability assessment of the scheme. This assessment has been undertaken following our own research into both current sales values and current costs. We have used figures put forward by Quod if we believe them to be reasonable.

We have used a copy of our bespoke excel based toolkit with cash flow to assess the scheme which is attached whilst Quod have used Argos also with a cash flow.

We would summarise our assessment of the scheme as follows:

18.1 Gross Development Value (GDV)

18.1.1 Quod have researched the market in the area and from their evidence have adopted the following:

18.1.2 Residential – For Sale

From the evidence researched taking into account transactions from other new build schemes in the past 18 months values equate to approx £3,875 per sq m (£360 per sq ft). However Quod have adopted £4,305 per sq m (£400 per sq ft) to reflect a regeneration premium due to the scale of the scheme and proposed public realm improvements with a total GDV of £88,492,800.

We have also undertaken our own research in the area of new build schemes as follows:

- Saxon Gate – Average of £3784 per sq m (£352 per sq ft)
- Royal Crescent Apartments - £3209 per sq m (£298 per sq ft)
- Ogle Rd - £4042 per sq m (£376 per sq ft)

In addition assessment of other schemes undertaken recently in the city centre range from £3486 to £3927 per sq m.

In addition from the Zoopla area guide for SO15 the average sale price for flats is £177,123 (£3035 per sq m) for 1.7 beds whilst the current asking prices are

- 1 bed - £127,601
- 2 Bed - £178,079
- 3 Bed - £256,738

On the basis the evidence researched I'm prepared to accept the value proposed by Quod for the For Sale residential units as reasonable.

18.1.3 Residential - Build to Rent

Quod have undertaken research as to rental levels in Southampton City Centre which they state average approx £770 pcm for 1 bed and £950 pcm for 2 beds or £15 – £18 per sq ft. The BTR revenue adopted is approx £21 per sq ft less 25% operating costs capitalised at 4.25% with a gross capital value of £76,622,520 before purchasers costs are deducted. They state that this equates to £370 per sq ft or approx 93% of the for sale open market value of £400 per sq ft which exceeds the upper end of the usual range of approx 80-90% for the discount to vacant possession.

We have undertaken our own market research in the area of new build units including our own data base, recently assessed schemes and Zoopla/Rightmove.

The Zoopla area guide of post code SO15 states that the current asking rents in the post code are as follows:

- 1 Bed Flat - £527 pcm
- 2 Bed Flat - £886 pcm
- 3 Bed Flat - £1,103 pcm

On the basis of our evidence, assessment of similar PRS/BTR schemes and the regeneration premium we have adopted the following rents:

- Studios - £825 pcm - £99,000 pa gross
- 1 Bed - £975 pcm - £1,368,900 pa gross
- 2 Bed - £1250 pcm - £2,580,000 pa gross
- 3 Bed - £1600 pcm - £211,200 pa gross

Total - £4,259,100 pa gross

Taking into account recent evidence and other PRS/BTR schemes assessed in the area I'm of the opinion that a net deduction of 25% for management and operational costs (Voids, repairs, letting fees etc) is reasonable with a net rental of £3,194,325. Whilst a yield of 4.25% is currently keen it's not unreasonable for prime regional centres according to research from CBRE and has been adopted with a gross capital value before purchasers costs are deducted of £75,160,588.

On this basis £76,662,520 adopted by Quod has been accepted as reasonable.

18.1.4 Affordable Housing

No affordable housing has been included by either party at this stage.

18.1.5 Ground Rents for the For Sale units

Quod have not included any ground rents due to impending legislation.

It should be noted that the government have announced that they would crack down on unfair leasehold practices in respect of ground rents. However since no legislation has been enacted the policy of DVS is to include ground rents at the present time.

On this basis we have included for ground rents based on an average of £200 per unit pa capitalised at 5% which we believe is reasonable in the current, market and agreed on similar schemes with a total of £1,360,000 before purchaser's costs. This takes account of the limits placed by funders on ground rents.

However if legislation is enacted it could affect this assessment and I have included an appraisal without ground rents as a sensitivity.

18.1.6 Car Parking

I understand that there are 57 car parking spaces provided on the podium for the BTR units and 82 spaces for the for sale units. Quod have included a capital rate of £15,000 per space or a capitalised rental income of £15,000 per space.

I'm of the opinion that due to the potential demand for these spaces and the range we normally consider of £15,000 to £20,000 per space that the higher rate is reasonable and I have therefore adopted £20,000 per space.

In addition there is a multi-storey car park of 863 spaces and whilst a cost has been included at this stage no value has been attributed to it save as detailed below.

18.1.7 Commercial

Quod have undertaken research as to the values for the various commercial uses and have adopted the following:

Hotel - £140,000 per room
Cinema, Casino, Health & Leisure - £15 per sq ft pa capitalised at 6%
Retail/A3 units - £20 per sq ft capitalised at 6%
Office - £20 per sq ft pa capitalised at 6%

Having taken into account our own evidence researched and recent schemes assessed in Southampton I'm prepared to accept the values adopted by Quod as reasonable.

However it should be noted that the values assumed for the commercial are on the basis that the MSCP is provided free of charge and the values reflect this. As a sensitivity a value has been included for the car park but with corresponding reduction in the commercial values.

In addition we have not been advised if there are any pre-lets or pre-sales in place in respect of the commercial uses or the BTR residential and it would be useful if Quod could confirm.

However at this stage no voids or rent free periods have been taken into account.

18.1.8 Total GDV of For Sale Scheme

	DVS	Quod
Market Units	£88,492,800	£88,492,520
Build to Rent Units	£76,662,520	£76,662,520
Car Parking – 139 spaces	£2,780,000	£2,085,000
MSCP	NIL	NIL
Affordable Units	NIL	NIL
Ground Rents	£1,360,000	NIL
Hotels	£52,500,000	£52,500,000
Cinema	£11,477,115	£11,478,250
Casino	£5,898,672	£5,898,750
Leisure	£6,140,862	£6,142,000
A 3 Units	£5,435,820	£5,434,333
Offices	£30,049,500	£30,048,667
Health & Wellness	£12,577,734	£12,577,750
Less Purchasers Costs	£4,886,400	£4,867,423
Total	£288,488,623	£286,452,647

The key differences between the parties is the inclusion of ground rents and the higher car park value.

18.2 Build Cost

18.2.1 Construction cost

Quod have adopted the mean BCIS costs for the various uses rebased to Southampton plus the costs issued by Gleeds for car parking, abnormal and external costs. The total adopted by Quod is £218,956,776 broken down as follows:

Item	Rate	Cost
Cinema	£1399 per sq m (£130 per sq ft)	£5,968,690
Casino	£1399 per sq m (£130 per sq ft)	£3,067,350
Leisure	£1399 per sq m (£130 per sq ft)	£3,193,840
A 3 Units	£1399 per sq m (£130 per sq ft)	£2,119,390
Offices	£1,970 per sq m (£183 per sq ft)	£18,329,646
Health & Wellness	£1399 per sq m (£130 per sq ft)	£6,540,430
Hotel/Apart Hotel	£2,164 per sq m (£201 per sq ft)	£21,440,871
B to R Units	£1,905 per sq m (£177 per sq ft)	£47,443,965
For Sale Units	£1,905 per sq m (£177 per sq ft)	£50,993,346
Hotel	£2,164 per sq m (£201 per sq ft)	£11,124,948
Total		£170,222,476
MSCP		£13,720,000
Podium Car Parking		£2,770,000
Phase 1 Abnormals & Externals		£12,071,000
Phase 2 Abnormals & Externals		£8,436,800
Phase 3 Abnormals & Externals		£8,573,500

Phase 4 Abnormals & Externals		£3,163,000
Total		£48,734,300
Overall Total		£218,956,776

The abnormals and externals include piling, etc, flood risk measures sprinklers and acoustic measures, public realm, and site preparation.

In accordance with advice from our QS we have taken account of the default median (January 2021) BCIS rate rebased to Southampton for 6 storey plus of £1,749 per sq m, the commercial rate of £1,063 per sq m, Hotel rate of £2,071 per sq m Office of £1,938 per sq m and podium car parking at £827 per sq m and multi storey at £570 per sq m plus abnormals and externals as follows:

Item	Rate	Cost
Cinema	£1,063 per sq m	£4,533,695
Casino	£1,063 per sq m	£2,330,096
Leisure	£1,063 per sq m	£2,425,766
A 3 Units	£1,063 per sq m	£1,610,000
Offices	£1,938 per sq m	£18,033,090
Health & Wellness	£1,063 per sq m	£4,968,462
Hotel/Apart Hotel	£2,071 per sq m	£20,523,610
B to R Units	£1,749 per sq m	£43,553,598
For Sale Units	£1,749 per sq m	£46,811,985
Hotel	£2,071 per sq m	£10,649,082
Total		£155,439,829
MSCP	£570 per sq m	£13,454,280
Podium Car Parking	£827 per sq m	£3,671,053
Phase 1 Abnormals & Externals		£12,071,000
Phase 2 Abnormals & Externals		£8,436,800
Phase 3 Abnormals & Externals		£8,573,500
Phase 4 Abnormals & Externals		£3,163,000
Total		£49,369,633
Overall Total		£204,809,462

Overall we have used BCIS to benchmark the build costs as above but please advise if a separate QS review is required although considerably more detail would be required in order for this to be undertaken.

Whilst we have adopted the median BCIS rate Quod have adopted the mean which includes the extremes and is not a realistic average. The abnormals and externals costed by Gleeds have been accepted at this stage.

Overall the difference in build costs is £14,147,314 (6.5%) due to the BCIS rates adopted.

18.2.2 Contingency

Quod have adopted a contingency of 5% (£10,947,839) which is within the range of 3% to 5% we adopt as reasonable and due to the complexity of the scheme and the current issues of Covid 19 I believe that 5% is reasonable (£10,240,473).

18.3 Development Costs

18.3.1 Professional Fees

Quod have adopted 10% (£22,990,461) for professional fees. This is within the all-inclusive range we normally adopt for outline flatted schemes of 7% to 12% and have therefore adopted 10% (£20,480,946) as reasonable.

18.3.2 CIL/Section 106 Costs

Quod have not included for any CIL or section 106 contributions.

You have now advised us that the following contributions are required:

- Affordable Housing – 35%
- Highways/Transport – £750,000 (Estimated)
- Solent Disturbance Mitigation Project - £598,599
- Employment & Skills Plan - £84,321
- Carbon Management Plan - £343,200
- Late Night Community Safety Facilities - £30,000
- Total 106 - £1,806,120
- Site Flood Plan - £1,345,150

- CIL - £4,584,580.47

In addition we have assumed that the section 106 costs and the CIL costs are phased over the development period in accordance with previous schemes assessed.

18.3.3 Marketing and Agency Costs

Quod have included the following as fees:

Marketing Costs – 2% - £1,769,856
Leasing Agent Fee – 10% - £429,479
Leasing Legal Fee – 5% - £214,739
Sale Agent Fee – 1% - £2,864,526
Legal Sale Fees – 0.5% - £1,432,263

Total - £6,710,864

I have adopted the following as reasonable and compare to similar schemes:

Residential Marketing – 1.5% - £1,327,392
Commercial Marketing – 0.21% - £250,000

Letting Agent Fee – 10% - £429,478
Letting Legal Fee – 5% - £214,739
Agent Sale Fees – 1% - £2,884,886
Legal Sale Fees – 0.25% - £721,222

Total - £5,827,717

18.3.4 Finance Costs

Quod in their report state that they have adopted a finance debit rate of 6.5% and 2% credit rate however the appraisal does not include a credit rate.

I have also used an all-inclusive debit rate of 6.5% which is within the range of 6% to 7% plus 2% credit rate that we normally adopt as reasonable and calculated in accordance with the cash flow.

18.3.5 Programme

Quod have adopted the following programme:

Phase 1 - Hotel, Apart Hotel, Commercial and MSCP – 22 month construction and sale 1 month after PC.

Phase 2 – Offices and Build to Rent units – 22 months construction with sale 1 month after PC

Phase 3 - Hotel and for sale units – 23 months construction, sale of hotel 1 month after PC and sales of residential units over a 16 month period

Phase 4 – Health & Wellness – 15 months construction and sale 1 month after PC.

Overall

- Construction – 64 Months
- Sales – 16 months
- Total Development period – 80 months

I have adopted a similar programme as reasonable when compared to similar schemes as follows:

Phase 1 – Construction month 31 to 52 (22 months) with sale in month 53

Phase 2 – Construction month 51 to 72 (22 months) with sale in month 73

Phase 3 – Construction month 72 to 94 (23 months) with sale of hotel in month 95 and residential from month 95 to 110 (16 months)

Phase 4 – Construction month 79 to 93 (15 months) with sale in month 94

18.3.6 Profit

Quod have suggested a target profit of 20% of GDV on residential for sale and 15% on BTR investment and commercial.

The latest NPPF guidance suggests a profit level of 15-20%. On this basis I have adopted the following as reasonable and agreed on similar schemes:

For Sale Residential – 17.5% of GDV
BTR investment – 15% of GDV but this could reduce if a pre-sale in place
Commercial – 15% of GDV

In respect of affordable units if included on site I would adopt a profit level of 6% due to the reduced risk on the basis of a forward sale to an RP.

19. Benchmark Land Value (BLV)

19.1. Quod have not considered the BLV at this stage due to their appraisal results which show a large deficit with no land value.

19.2 Existing Use Value (EUV)

Quod are of the opinion that the BLV should be based on EUV plus but due to the appraisal results it has not been considered.

I agree that the BLV should be based on EUV plus but no detail has been provided in order to access the EUV.

19.3 Premium (EUV)

Not Accessed

19.4 Purchase Price

19.4.1 The PPG and the RICS encourage the reporting of the purchase price to improve transparency and accountability.

19.4.2 RICS FVIP (1st edition) 2012 guidance states at para 3.6.1.2 "It is for the practitioner to consider the relevance or otherwise of the actual purchase price, and whether any weight should be attached to it, having regard to the date of assessment and the Site Value definition.."

19.4.3 However, the NPPG on viability very much dissuades the use of a purchase price as a barrier to viability this is reinforced at several places in the PPG: The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. And under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

19.4.4 The PPG does not invalidate the use and application of a purchase price, or a price secured under agreement, where the price enables the development to meet the policies in the plan.

19.4.5 We are not aware of the purchase price for the site.

19.5. Market Transactions

Not applicable.

19.6 Alternative Use Value (AUV)

19.6.1 Not applicable in this case.

19.7 Other Evidence

19.7.1 Not applicable.

19.8 Benchmark Land Value Considerations

19.8.1 The methodology of using the EUV of the site plus a premium is considered reasonable in the case but due to the appraisal results no BLV has been assessed.

19.9 Benchmark Land Value Conclusion

19.9.1 For this stage one report this has not been assessed.

20. Applicants Viability Assessment

Quod have assessed the scheme and conclude that on the basis of no land value the scheme shows a profit of £8,908,480 which is 3% of GDV and is not viable.

On this basis Quod conclude that the scheme cannot viably support any planning obligations.

In addition with 4% growth per annum Quod state that the scheme can be viable with an 18% output return and the applicant is prepared to progress the scheme with a present day deficit.

21. Conclusions / Presentation of DVS Results

I have undertaken a review of the Quod assessment and undertaken our own research and appraisal with the following result:

- 1) On the basis of the proposed mixed use scheme including ground rents but excluding the value of the MSCP the appraisal shows a deficit of £25,717,825 which converts to a reduced profit of 6.71% and is not viable against the target profits. This appraisal excludes any land value. (Appraisal attached at 24.1)

22. Sensitivity Analysis and Testing

As set out in the RICS Professional Standard 'Financial viability in planning: conduct and reporting' (effective from 1st September 2019), I have carried out

sensitivity tests to test the robustness of the viability conclusions described above as follows:

- In order for the proposed scheme, with no affordable, with ground rents to be viable the value of residential element of the scheme would need to increase by almost 16% again assuming no land value.
- If ground rents are excluded from the scheme the deficit increases to £26,790,270 which converts to a reduced profit of 6.30% assuming no land value. (Appraisal attached at 24.2)
- If current mean BCIS costs (As proposed by Quod) are included the total construction cost increases to £218,128,990 which is only £827,786 less than the cost adopted by Quod and the deficit increases £45,346,224 which converts to a negative profit assuming no land value.
- In order for the scheme with mean BCIS build costs to be viable the residential element of the scheme would need to increase by approx 27.5% assuming no land value.
- In addition I have also considered the viability on the basis that a value is attributed to the MSCP with a reduction in the value of the commercial. Talking into account the value of similar car parks in the area I have assumed a gross rental of £1,000 per space with a gross income of £863,000 less management costs of 25% with a net rental of £647,250, capitalised at 6% less purchasers cost with a net value of £10,000,000.

In addition I have reduced the commercial value by 5% to £63,436,519 with a resultant deficit reduced to approx £16.5 m again assuming no land value. (Appraisal attached at 24.3)

23. Comments and Recommendations

Following a review of the viability assessment undertaken by Quod the key differences are:

- 1) Inclusion of Ground rents
- 2) Higher Value of Podium Car Parking
- 3) Lower Overall Build Cost of approx 6.5% due to BCIS rate adopted
- 4) CIL and S106 contributions as advised by the Council
- 5) Lower sale fees particularly re legals
- 6) For Sale Residential Profit of 17.5% rather than 20%

Clearly there are major issues in respect of the viability of the scheme and its deliverability as currently proposed. In order to assist this assessment and the question of deliverability we believe that the applicant should confirm if there are

any pre-lets in place or any investors confirmed in respect of the commercial and BTR.

In addition if the Council wish to proceed at less than policy we would suggest that any section 106 agreement include a review mechanism which can be discussed further including triggers.

23.1 Market Uncertainty


The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of this property is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation[s] contained within this report under frequent review.

I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.

Yours sincerely

 BSc MRICS
RICS Registered Valuer
DVS

24. Appendices

- 24.1 Development Appraisal of the Scheme with Ground Rents
- 24.2 Development Appraisal of the scheme without Ground Rents
- 24.3 Sensitivity Appraisal including a MSCP value
- 24.4 Terms of Engagement dated 27 April 2020

Not for Publication

24.1 Development Appraisal – Proposed Scheme including Ground Rents

Not for Publication

24.2 Development Appraisal – Proposed Scheme excluding Ground Rents

Not for Publication

24.3 Sensitivity Appraisal including a MSCP value

Not for Publication

24.4 Terms of Engagement

Not for Publication

Habitats Regulations Assessment (HRA)

Application reference:	20/01544/OUT
Application address:	Leisure World West Quay Road Southampton
Application description:	Outline planning application for the demolition of existing buildings and comprehensive redevelopment of the site comprising residential accommodation (Use class C3), office floorspace (Use Class E), hotel accommodation (Use Class C1), cinema (Sui Generis Use), casino (Sui Generis Use) and other flexible business uses including retail and restaurants/cafes (Use Class E). With associated car and cycle parking, internal highways, open space, public realm and landscaping and ancillary works including utilities, surface water drainage, plant and equipment. Means of access for detailed consideration and layout, scale, external appearance and landscaping reserved matters for consideration.
HRA completion date:	12/03/2021
HRA completed by:	
Lindsay McCulloch Planning Ecologist Southampton City Council Lindsay.mcculloch@southampton.gov.uk	
Summary	
<p>The project being assessed is a mixed development which will lead to the provision of 650 residential units and two hotels (380 rooms) plus new retail, office and leisure uses and car parking. The site is located close to the Solent and Dorset Coast Special Protection Area (SPA) (135m), approximately 900m from the Solent and Southampton Water SPA /Ramsar site and 4.3km from the New Forest Special Area of Conservation (SAC)/ SPA/Ramsar site.</p> <p>The site currently consists of a mix of commercial buildings and areas of hardstanding, near to the City Cruise terminal within the Port of Southampton. It is located close to European sites and as such there is potential for construction stage impacts. Concern has also been raised that the proposed development, in-combination with other residential developments across south Hampshire, could result in recreational disturbance to the features of interest of the New Forest SPA/Ramsar site and the Solent and Southampton Water SPA/Ramsar site. In addition, waste water generated by the development could result in the release of nitrogen and phosphate into the Solent leading to adverse impacts on features of the Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site.</p> <p>The findings of the initial assessment concluded that significant effects were possible. A detailed appropriate assessment was therefore conducted on the proposed development. Following consideration of a number of avoidance and mitigation measures designed to remove any risk of a significant effect on the identified European sites, it has been concluded that the significant effects which are likely in association with the proposed development can be overcome.</p>	

Section 1 - details of the plan or project

European sites potentially impacted by plan or project:

European Site descriptions are available in Appendix I of the City Centre Action Plan's Habitats Regulations Assessment Baseline Evidence Review Report, which is on the city council's website at

- Solent and Dorset Coast Special Protection Area (SPA)
- Solent and Southampton Water SPA
- Solent and Southampton Water Ramsar Site
- Solent Maritime Special Area of Conservation (SAC)
- River Itchen SAC
- New Forest SAC
- New Forest SPA
- New Forest Ramsar site

Is the project or plan directly connected with or necessary to the management of the site (provide details)?

No – the development consists of new residential, hotel, retail, office and leisure uses which are neither connected to, nor necessary for, the management of any European site.

Are there any other projects or plans that together with the project or plan being assessed could affect the site (provide details)?

- Southampton Core Strategy (amended 2015) (<http://www.southampton.gov.uk/policies/Amended-Core-Strategy-inc-CSPR-%20Final-13-03-2015.pdf>)
- City Centre Action Plan (<http://www.southampton.gov.uk/planning/planning-policy/adopted-plans/city-centre-action-plan.aspx>)
- South Hampshire Strategy (http://www.push.gov.uk/work/housing-and-planning/south_hampshire_strategy.htm)

The PUSH Spatial Position Statement plans for 104,350 net additional homes, 509,000 sq. m of office floorspace and 462,000 sq. m of mixed B class floorspace across South Hampshire and the Isle of Wight between 2011 and 2034.

Southampton aims to provide a total of 15,610 net additional dwellings across the city between 2016 and 2035 as set out in the Amended Core Strategy.

Whilst the dates of the two plans do not align, it is clear that the proposed development of the Leisure World site is part of a far wider reaching development strategy for the South Hampshire sub-region which will result in a sizeable increase in population and economic activity.

Regulation 68 of the Conservation of Habitats and Species Regulations 2010 (as amended) (the Habitats Regulations) is clear that the assessment provisions, i.e. Regulation 61 of the same regulations, apply in relation to granting planning permission on an application under Part 3 of the TCPA 1990. The assessment below constitutes the city council's assessment of the implications of the development described above on the identified European sites, which is set out in Regulation 61 of the Habitats Regulations.

Section 2 - Assessment of implications for European sites

Test 1: the likelihood of a significant effect

- This test is to determine whether or not any possible effect could constitute a significant effect on a European site as set out in Regulation 61(1) (a) of the Habitats Regulations.

The proposed development is located 135m to the north-east of the Solent and Dorset Coast SPA, 900m to the north of the Solent and Southampton Water SPA and Ramsar site and 2.4km to the east of the Solent Maritime SAC. The River Itchen SAC lies 4.3 km to the north-east of the site whilst the New Forest SAC, SPA and Ramsar site are 4.3km to the south-west.

A full list of the qualifying features for each site is provided at the end of this report. The development could have implications for these sites which could be both temporary, arising from demolition and construction activity, or permanent arising from the on-going impact of the development when built.

Sections 4.1 -4.6 of the Leisure World - Technical Appendix 10.2: Habitat Regulations Assessment Report (October 20) identified the following effects arising from the proposed development:

- Contamination and deterioration in surface water quality from mobilisation of contaminants;
- Disturbance (noise and vibration);
- Increased leisure activities and recreational pressure;
- Deterioration in water quality caused by nitrates from wastewater; and
- Potential collision risk from new tall buildings in close proximity to designated sites.

A number of avoidance and mitigation measures are set out in section 6 of the Leisure World - Technical Appendix 10.2: Habitat Regulations Assessment Report (October 20) which are summarised as follows:

Demolition and Construction phase

- Provision of a Construction Environmental Management Plan.
- Use of quiet construction methods e.g. replacement piling rather than displacement piling, where feasible;
- Further site investigations and a remediation strategy for any soil and groundwater contamination present on the site.

Operational

- Contribution towards the Solent Recreation Mitigation Partnership scheme. The precise contribution level will be determined at the detailed application stage.
- 4% of the CIL contribution, will be ring fenced for footpath improvements in Southampton's Greenways network. The precise contribution level will be determined at the detailed application stage.
- 1% of the CIL contribution will be allocated to the New Forest National Park Authority Habitat Mitigation Scheme. The precise contribution level will be determined at the detailed application stage.
- Provision of a welcome pack to new residents highlighting local greenspaces and including walking and cycling maps illustrating local routes and public transport information;
- Contribution towards, or the development of, a nitrate off-setting scheme.

- Building design features including avoidance of large areas of glass and use of design measures such as non-reflective frosting of glass, interior artwork, non-reflective one way glass, balconies, vegetated facades and angled windows (40 degrees);
- Sustainable drainage features including green roofs, permeable surfacing and petrol interceptors on drains.

Conclusions regarding the likelihood of a significant effect

This is to summarise whether or not there is a likelihood of a significant effect on a European site as set out in Regulation 61(1)(a) of the Habitats Regulations.

The project being assessed is a mixed development which will lead to the provision of 650 residential units and two hotels (380 rooms) plus new retail, office, leisure uses and car parking. The site is located close to the Solent and Dorset Coast Special Protection Area (SPA), approximately 900m from the Solent and Southampton Water SPA /Ramsar site and 4.3km from the New Forest Special Area of Conservation (SAC)/ SPA/Ramsar site.

The site currently consists of a mix of commercial buildings and areas of hardstanding, near to the City Cruise terminal within the Port of Southampton. It is located close to European sites and as such there is potential for construction stage impacts. Concern has also been raised that the proposed development, in-combination with other residential developments across south Hampshire, could result in recreational disturbance to the features of interest of the New Forest SPA/Ramsar site and the Solent and Southampton Water SPA/Ramsar site. In addition, waste water generated by the development could result in the release of nitrogen into the Solent leading to adverse impacts on features of the Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site.

The applicant has provided details of several avoidance and mitigation measures which are intended to reduce the identified impacts. However, without more detailed analysis, it is not possible to determine whether the proposed measures are sufficient to reduce the identified impacts to a level where they could be considered not to result in a significant effect on the identified European sites. Overall, there is the potential for permanent impacts which could be at a sufficient level to be considered significant. As such, a full appropriate assessment of the implications for the identified European sites is required before the scheme can be authorised.

Test 2: an appropriate assessment of the implications of the development for the identified European sites in view of those sites' conservation objectives

The analysis below constitutes the city council's assessment under Regulation 61(1) of the Habitats Regulations

The identified potential effects are examined below to determine the implications for the identified European sites in line with their conservation objectives and to assess whether the proposed avoidance and mitigation measures are sufficient to remove any potential impact.

In order to make a full and complete assessment it is necessary to consider the relevant conservation objectives. These are available on Natural England's web pages at <http://publications.naturalengland.org.uk/category/6528471664689152> .

The conservation objective for Special Areas of Conservation is to, "Avoid the deterioration of the qualifying natural habitats and the habitats of qualifying species, and the significant disturbance of those qualifying species, ensuring the integrity of the site is maintained and the site makes a full contribution to achieving Favourable Conservation Status of each of the qualifying features."

The conservation objective for Special Protection Areas is to, "Avoid the deterioration of the habitats of the qualifying features, and the significant disturbance of the qualifying features, ensuring the integrity of the site is maintained and the site makes a full contribution to achieving the aims of the Birds Directive."

Ramsar sites do not have a specific conservation objective however, under the National Planning Policy Framework (NPPF), they are considered to have the same status as European sites.

TEMPORARY, CONSTRUCTION PHASE EFFECTS

Mobilisation of contaminants

Sites considered: Solent and Southampton Water SPA/Ramsar site, Solent and Dorset Coast SPA, Solent Maritime SAC, River Itchen SAC (mobile features of interest including Atlantic salmon and otter).

The development site lies within an area subject to a long history of port and associated operations. As such, there is the potential for contamination in the site to be mobilised during construction. In 2016 the ecological status of the Southampton Waters was classified as 'moderate' while its chemical status classified as 'fail'. The construction of the proposed development includes Continuous Flight Auger installation of piles and excavations which has the potential to disturb buried contaminants. In addition, demolition and construction works would result in the emission of coarse and fine dust and exhaust emissions – these could impact surface water quality in the Solent and Southampton SPA/Ramsar Site and Solent and Dorset Coast SPA with consequent impacts on features of the River Itchen SAC. There could also be deposition of dust particles on habitats within the Solent Maritime SAC.

A range of construction measures can be employed to minimise the risk of mobilising contaminants, for example spraying water on surfaces to reduce dust, and appropriate standard operating procedures will be outlined within a Construction Environmental Management Plan (CEMP).

In the absence of such mitigation there is a risk of contamination or changes to surface water quality during construction and therefore a significant effect is likely.

Disturbance

During demolition and construction noise and vibration have the potential to cause adverse impacts to bird species present within the SPA/Ramsar Site. Activities most likely to generate these impacts include piling.

Sites considered: Solent and Southampton Water SPA

The application site is located approximately 900m from the Solent and Southampton Water SPA, within an existing industrial area adjacent to a major road. The distance between the development and the designated site is substantial and it is considered that sound levels at the designated site will be negligible. In addition, there is already a high level of background noise from port activities which will mask general construction noise. The only likely source of noise impact is piling. The sudden, sharp noise of percussive piling will stand out from the background noise and has the potential to cause birds on the inter-tidal area to cease feeding or even fly away. This in turn leads to a reduction in the birds' energy intake and/or expenditure of energy which can affect their survival.

Piling impact can be mitigated by the use of Continuous Flight Auger (CFA) method, which has lower noise levels when compared to percussive methods. Where percussive piling can't be avoided, techniques such as soft start, which involves a steady build up to full energy, and use of wooden blocks can help to reduce sound levels.

Continuous Flight Auger (CFA) piling is the stated preferred piling method.

Collision risk

Sites considered: Solent and Southampton Water SPA, Solent and Dorset Coast SPA

Demolition and construction operations will involve the use of tower cranes however, these are likely to be similar in scale to those used by existing active port operations in close proximity to the site to which birds are likely to be habituated. In addition, mapping undertaken for the Southampton Bird Flight Path Study 2009 demonstrated that the majority of flights by waterfowl occurred over the water and as a result collision risk with construction cranes or other infrastructure is not predicted to pose a significant threat to the species from the designated sites.

PERMANENT, OPERATIONAL EFFECTS.

Recreational disturbance

Human disturbance of birds, which is any human activity which affects a bird's behaviour or survival, has been a key area of conservation concern for a number of years. Examples of such disturbance, identified by research studies, include birds taking flight, changing their feeding behaviour or avoiding otherwise suitable habitat. The effects of such disturbance range from a minor reduction in foraging time to mortality of individuals and lower levels of breeding success.

New Forest SPA/Ramsar site/ New Forest SAC

Although relevant research, detailed in Sharp et al 2008, into the effects of human disturbance on interest features of the New Forest SPA/Ramsar site, namely nightjar, *Caprimulgus europaeus*, woodlark, *Lullula arborea*, and Dartford warbler *Sylvia undata*, was not specifically undertaken in the New Forest, the findings of work on the Dorset and Thames Basin Heaths established clear effects of disturbance on these species.

Nightjar

Higher levels of recreational activity, particularly dog walking, has been shown to lower nightjar breeding success rates. On the Dorset Heaths nests close to footpaths were found to be more likely to fail as a consequence of predation, probably due to adults being flushed from the nest by dogs allowing predators access to the eggs.

Woodlark

Density of woodlarks has been shown to be limited by disturbance with higher levels of disturbance leading to lower densities of woodlarks. Although breeding success rates were higher for the nest that were established, probably due to lower levels of competition for food, the overall effect was approximately a third fewer chicks than would have been the case in the absence of disturbance.

Dartford warbler

Adverse impacts on Dartford warbler were only found to be significant in heather dominated territories where high levels of disturbance increased the likelihood of nests near the edge of the territory failing completely. High disturbance levels were also shown to stop pairs raising multiple broods.

In addition to direct impacts on species for which the New Forest SPA/Ramsar site is designated, high levels of recreation activity can also affect habitats for which the New Forest SAC is designated. Such impacts include trampling of vegetation and compaction of soils which can lead to changes in plant and soil invertebrate communities, changes in soil hydrology and chemistry and erosion of soils.

Visitor levels in the New Forest

The New Forest National Park attracts a high number of visitors (13.3 million annually), and is notable in terms of its catchment, attracting a far higher proportion of tourists and non-local visitors than similar areas such as the Thames Basin and Dorset Heaths. Research undertaken by Footprint Ecology, Sharp et al (2008), indicates that 40% of visitors to the area are staying tourists, whilst 25% of visitors come from more than 5 miles (8km) away from the National Park boundary. The remaining 35% of visitors are local day visitors originating from within 5 miles (8km) of the boundary.

The report states that the estimated number of current annual visits to the New Forest is predicted to increase by 1.05 million annual visits by 2026 based on projections of housing development within 50km of the Forest, with around three quarters (764,000) of this total increase originating from within 10km of the boundary (which includes Southampton).

The application site is located 4.3km from the nearest part of the New Forest SPA and Ramsar site and 2.0km from the National Park boundary in terms of linear distance and as such, residents of the proposed development would appear to fall into the category of local day visitors. However, the actual travel distance is considerably longer with the nearest road access point 10.3km away or by ferry it is a ten minute crossing, with a return fare of £7 or £10 with a bicycle, plus 4.6km along roads. Residents of the Leisure World development are therefore unlikely to make this trip on a daily basis.

Characteristics of visitors to the New Forest

In addition to visitor numbers, the report, "Changing patterns of visitor numbers within the New Forest National Park", 2008 also showed that:

- 85% of visitors to the New Forest arrive by car.
- 23% of the visitors travelling more than 5 miles come from the Southampton/Eastleigh area (see para 2.1.1).
- One of the main reasons for visiting the National Park given in the 2005 Visitor Survey was dog walking (24% of visitors - Source New Forest National Park Visitor survey 2005).
- Approximately 68% of visitors to UK National Parks are families. (Source:www.nationalparks.gov.uk).

The majority of the visitors to New Forest locations arriving from Southampton could therefore be characterised as day visitors, car-owners in family groups and many with dogs.

The exact mix of residential units has not been set but is likely to consist of flats ranging from 1-3 bed. The majority of residents are therefore likely to be singles and couples with only a small proportion of families. The level of recreation activity from such a development is likely to be lower than for a similar sized development of family housing however, adverse impacts cannot be ruled out. Mitigation of recreational impacts will therefore be required.

Mitigation

It is not possible to establish the precise level of recreational impact arising from the development however, as with other similar developments, Community Infrastructure Levy funds at a rate of 5% of the CIL contribution for the development, will be used to upgrade semi-natural greenspaces within Southampton to provide alternative recreation areas and to provide a contribution towards the New Forest National Park Habitat Mitigation Scheme. The contribution will be split 4% and 1% respectively.

Solent and Southampton Water SPA/Ramsar site

The Council has adopted the Solent Recreation Mitigation Partnership's Mitigation Strategy (December 2017), in collaboration with other Councils around the Solent, in order to mitigate the effects of new residential development on the Solent and Southampton Water SPA and Ramsar site. This strategy enables financial contributions to be made by developers to fund appropriate mitigation measures. The level of mitigation payment required is linked to the number of bedrooms within the properties.

The residential element of the Leisure World development could result in a net increase in the city's population and there is therefore the risk that the development, in-combination with other residential developments across south Hampshire, could lead to recreational impacts upon the Solent and Southampton Water SPA. A contribution to the Solent Recreation Mitigation Partnerships mitigation scheme will enable the recreational impacts to be addressed. At present the exact mix of residential units is not known and it is not therefore possible to calculate the precise figure at present however, the developer has undertaken to make a payment at the detailed application stage.

Water quality

Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site

In their letter date 6th September 2018, Natural England highlighted concerns regarding, "high levels of nitrogen and phosphorus input to the water environment in the Solent with evidence that these nutrients are causing eutrophication at internationally designated sites."

Eutrophication is the process by which excess nutrients are added to a water body leading to rapid plant growth. In the case of the Solent Maritime SAC and the Solent and Southampton Water SPA/Ramsar site the problem is predominately excess nitrogen arising from farming activity, waste water treatment works discharges and urban run-off.

Features of Solent Maritime SAC and Solent and Southampton Water SPA/Ramsar site that are vulnerable to increases in nitrogen levels are coastal grazing marsh, inter-tidal mud and seagrass.

Evidence of eutrophication impacting the Solent Maritime SAC and Solent and Southampton Water SPA/Ramsar site has come from the Environment Agency data covering estimates of river flow, river quality and also data on WwTW effluent flow and quality.

An Integrated Water Management Study for South Hampshire, commissioned by the Partnership for Urban South Hampshire (PUSH) Authorities, examined the delivery of development growth in relation to legislative and government policy requirements for designated sites and wider biodiversity. This work has identified that there is uncertainty in some locations as to whether there will be enough capacity to accommodate new housing growth. There is uncertainty about the efficacy of catchment measures to deliver the required reductions in nitrogen levels, and/or whether the upgrades to waste water treatment works will be enough to accommodate the quantity of new housing proposed. Considering this, Natural England have advised that a nitrogen budget is calculated for larger developments.

A methodology provided by Natural England has been used to calculate a nutrient budget and the calculations conclude that there is a predicted Total Nitrogen surplus arising from the development of 516 kg/TN/yr.

Due to the nature of the site, and the surrounding urban environment, there are no further mitigation options on site. Potential mitigation options being considered include:

- i. Contribution to upgrade of the main sewage treatment works to reduce the nitrates leaving the those works;
- ii. Section 106 payment to SCC to contribute to an off-site nitrate offsetting scheme that delivers land management that reduces nitrate runoff to the designated sites;
- iii. Developer contribution towards an off-site nitrate offsetting scheme that delivers land management that reduces nitrate runoff to the designated sites; or
- iv. Developer sets up a nitrate offsetting scheme that delivers off-site land management that reduces nitrate runoff to the designated sites.

Delivery of the agreed mitigation option will be secured via a legal agreement.

Collision risk

Sites considered: Solent and Dorset Coast SPA and Solent and Southampton Water SPA

The proposed development will include buildings ranging from 31.6 to 51.1 m in height. The lower buildings are broadly comparable with buildings nearby that have a similar relationship to the SPA/Ramsar. As mentioned in respect of construction stage impacts, the Southampton Bird Flight Path Study 2009 demonstrated that the majority of flights by waterfowl occurred over the water and as a result collision risk with tall structures is not predicted to pose a significant threat to the species from the designated sites. However, the added risk with tall buildings is that lights can attract birds towards them whilst poorly designed glazing can encourage birds to attempt to fly through the building. These problems can be addressed through careful design of lighting, glazing and balconies.

Conclusions regarding the implications of the development for the identified European sites in view of those sites' conservation objectives

Conclusions

The following conclusions can be drawn from the evidence provided:

- There is potential for a number of impacts, including noise disturbance and mobilisation of contaminants, to occur at the demolition and construction stage.
- Water quality within the Solent and Southampton Water SPA/Ramsar site could be affected by release of nitrates contained within waste water.
- Increased levels of recreation activity could affect the Solent and Southampton Water SPA/Ramsar site and the New Forest/SAC/SPA/Ramsar site.
- There is a low risk of birds colliding with the proposed tall buildings.

The following mitigation measures have been proposed as part of the development:

Demolition and Construction phase

- Provision of a Construction Environmental Management Plan.
- Use of quiet construction methods e.g. replacement piling rather than displacement piling, where feasible;
- Further site investigations and a remediation strategy for any soil and groundwater contamination present on the site.

Operational

- Contribution towards the Solent Recreation Mitigation Partnership scheme. The precise contribution level will be determined at the detailed application stage.
- 4% of the CIL contribution, will be ring fenced for footpath improvements in Southampton's Greenways network. The precise contribution level will be determined at the detailed application stage.
- 1% of the CIL contribution will be allocated to the New Forest National Park Authority Habitat Mitigation Scheme. The precise contribution level will be determined at the detailed application stage.
- Provision of a welcome pack to new residents highlighting local greenspaces and including walking and cycling maps illustrating local routes and public transport information;
- Contribution towards, or the development of, a nitrate off-setting scheme.
- Building design features including avoidance of large areas of glass and use of design measures such as non-reflective frosting of glass, interior artwork, non-reflective one way glass, balconies, vegetated facades and angled windows (40 degrees);
- Sustainable drainage features including green roofs, permeable surfacing and petrol interceptors on drains.

As a result of the mitigation measures detailed above there should not be any adverse impacts upon European and other protected sites in the Solent and New Forest arising from this development.

It can therefore be concluded that, subject to the implementation of the identified mitigation measures, **significant effects arising from these impacts will not occur.**

References

Fearnley, H., Clarke, R. T. & Liley, D. (2011). The Solent Disturbance & Mitigation Project. Phase II – results of the Solent household survey. ©Solent Forum / Footprint Ecology.

Liley, D., Stillman, R. & Fearnley, H. (2010). The Solent Disturbance and Mitigation Project Phase 2: Results of Bird Disturbance Fieldwork 2009/10. Footprint Ecology / Solent Forum.

Rambould, (October 20) Leisure World - Technical Appendix 10.2: Habitat Regulations Assessment Report

Sharp, J., Lowen, J. and Liley, D. (2008) Changing patterns of visitor numbers within the New Forest National Park

European Site Qualifying Features

The New Forest SAC

The New Forest SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex I habitats:

- Oligotrophic waters containing very few minerals of sandy plains (*Littorelletalia uniflorae*) (primary reason for selection)
- Oligotrophic to mesotrophic standing waters with vegetation of the *Littorelletea uniflorae* and/or of the *Isoëto-Nanojuncetea* (primary reason for selection)
- Northern Atlantic wet heaths with *Erica tetralix* (primary reason for selection)
- European dry heaths (primary reason for selection)
- *Molinia* meadows on calcareous, peaty or clayey-silt laden soils (*Molinion caeruleae*) (primary reason for selection)
- Depressions on peat substrates of the *Rhynchosporion* (primary reason for selection)
- Atlantic acidophilous beech forests with *Ilex* and sometimes also *Taxus* in the shrub layer (Quercion *robori-petraeae* or *Ilici-Fagenion*) (primary reason for selection)
- *Asperulo-Fagetum* beech forests (primary reason for selection)
- Old acidophilous oak woods with *Quercus robur* on sandy plains (primary reason for selection)
- Bog woodland (primary reason for selection)
- Alluvial forests with *Alnus glutinosa* and *Fraxinus excelsior* (*Alno-Padion*, *Alnion incanae*, *Salicion albae*) (primary reason for selection)
- Transition mires and quaking bogs
- Alkaline fens

The New Forest SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex II species:

- Southern Damselfly *Coenagrion mercurial* (primary reason for selection)
- Stag Beetle *Lucanus cervus* (primary reason for selection)
- Great Crested Newt *Triturus cristatus*

The New Forest SPA

The New Forest SPA qualifies under Article 4.1 of the Birds Directive by supporting breeding populations of European importance of the following Annex I species:

- Dartford Warbler *Sylvia undata*
- Honey Buzzard *Pernis apivorus*
- Nightjar *Caprimulgus europaeus*
- Woodlark *Lullula arborea*

The SPA qualifies under Article 4.2 of the Birds Directive by supporting overwintering populations of European importance of the following migratory species:

- Hen Harrier *Circus cyaneus*

New Forest Ramsar Site

The New Forest Ramsar site qualifies under the following Ramsar criteria:

- Ramsar criterion 1: Valley mires and wet heaths are found throughout the site and are of outstanding scientific interest. The mires and heaths are within catchments whose uncultivated and undeveloped state buffer the mires against adverse ecological change. This is the largest concentration of intact valley mires of their type in Britain.

- Ramsar criterion 2: The site supports a diverse assemblage of wetland plants and animals including several nationally rare species. Seven species of nationally rare plant are found on the site, as are at least 65 British Red Data Book species of invertebrate.
- Ramsar criterion 3: The mire habitats are of high ecological quality and diversity and have undisturbed transition zones. The invertebrate fauna of the site is important due to the concentration of rare and scarce wetland species. The whole site complex, with its examples of semi-natural habitats is essential to the genetic and ecological diversity of southern England.

Solent Maritime SAC

The Solent Maritime SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex I habitats:

- Estuaries (primary reason for selection)
- Spartina swards (*Spartinion maritimae*) (primary reason for selection)
- Atlantic salt meadows (*Glauco-Puccinellietalia maritimae*) (primary reason for selection)
- Sandbanks which are slightly covered by sea water all the time
- Mudflats and sandflats not covered by seawater at low tide
- Coastal lagoons
- Annual vegetation of drift lines
- Perennial vegetation of stony banks
- Salicornia and other annuals colonising mud and sand
- Shifting dunes along the shoreline with *Ammophila arenaria* (“white dunes”)

Solent Maritime SAC qualifies under Article 3 of the Habitats Directive by supporting the following Annex II species:

- Desmoulin's whorl snail *Vertigo moulinsiana*

Solent and Southampton Water SPA

Solent and Southampton Water SPA qualifies under Article 4.1 of the Birds Directive by supporting breeding populations of European importance of the following Annex I species:

- Common Tern *Sterna hirundo*
- Little Tern *Sterna albifrons*
- Mediterranean Gull *Larus melanocephalus*
- Roseate Tern *Sterna dougallii*
- Sandwich Tern *Sterna sandvicensis*

The SPA qualifies under Article 4.2 of the Birds Directive by supporting overwintering populations of European importance of the following migratory species:

- Black-tailed Godwit *Limosa limosa islandica*
- Dark-bellied Brent Goose *Branta bernicla bernicla*
- Ringed Plover *Charadrius hiaticula*
- Teal *Anas crecca*

The SPA also qualifies under Article 4.2 of the Birds Directive by regularly supporting at least 20,000 waterfowl, including the following species:

- Gadwall *Anas strepera*
- Teal *Anas crecca*
- Ringed Plover *Charadrius hiaticula*
- Black-tailed Godwit *Limosa limosa islandica*
- Little Grebe *Tachybaptus ruficollis*
- Great Crested Grebe *Podiceps cristatus*
- Cormorant *Phalacrocorax carbo*

- Dark-bellied Brent Goose *Branta bernicla bernicla*
- Wigeon *Anas Penelope*
- Redshank *Tringa tetanus*
- Pintail *Anas acuta*
- Shoveler *Anas clypeata*
- Red-breasted Merganser *Mergus serrator*
- Grey Plover *Pluvialis squatarola*
- Lapwing *Vanellus vanellus*
- Dunlin *Calidris alpina alpina*
- Curlew *Numenius arquata*
- Shelduck *Tadorna tadorna*

Solent and Southampton Water Ramsar Site

The Solent and Southampton Water Ramsar site qualifies under the following Ramsar criteria:

- Ramsar criterion 1: The site is one of the few major sheltered channels between a substantial island and mainland in European waters, exhibiting an unusual strong double tidal flow and has long periods of slack water at high and low tide. It includes many wetland habitats characteristic of the biogeographic region: saline lagoons, saltmarshes, estuaries, intertidal flats, shallow coastal waters, grazing marshes, reedbeds, coastal woodland and rocky boulder reefs.
- Ramsar criterion 2: The site supports an important assemblage of rare plants and invertebrates. At least 33 British Red Data Book invertebrates and at least eight British Red Data Book plants are represented on site.
- Ramsar criterion 5: A mean peak count of waterfowl for the 5 year period of 1998/99 – 2002/2003 of 51,343
- Ramsar criterion 6: The site regularly supports more than 1% of the individuals in a population for the following species: Ringed Plover *Charadrius hiaticula*, Dark-bellied Brent Goose *Branta bernicla bernicla*, Eurasian Teal *Anas crecca* and Black-tailed Godwit *Limosa limosa islandica*.

Appendix 1 Nutrient Budget

Calculation using water rate of 110 litres waste water per person per day

Step	Measurement	Value	Unit	Explanation
Development Proposal	Development types that would increase the population served by a wastewater system	519	Residential dwellings	519 flats – studio, 1, 2 and 3 bed.
Step 1	Additional Population	1245.6	Persons	Based on the residential mix
Step 2	Wastewater volume generated by development	137,016	Litres/ day	1110 persons x 110 litres
Step 3	Receiving WWTW environmental permit limit for TN	10	Mg/l TN	
Step 4	TN discharged after WWTW	959,112	Mg/TN/day	70% of the consent limit = 7mg/l TN. 137,016 x 7
	Convert mg/TN to kg/TN per day	0.9591	Kg/TN/day	Divide by 1,000,000
	Convert kg/TN per day to kg/TN per year	350.08		x 365 days
Wastewater total nitrogen load	350.08kg/TN/yr			
Net N from land use change	0kg			
Precautionary buffer	70.02kg/TN/yr			
Total	420kg/TN/yr			

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