

# **POLICY AND PERFORMANCE SCRUTINY PANEL**

**24 NOVEMBER 2022**

**CABINET**

**8 DECEMBER 2022**

**STRATEGIC LAND UPDATE**

## **Report of the Corporate Director – Chief Financial Officer**

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### **Recommendation(s)**

It is recommended that Policy & Performance Scrutiny Panel

- (1) note the contents of this report and make recommendations to Cabinet as appropriate.

It is recommended that Cabinet

- (2) note the contents of this report and any recommendations arising from its consideration at Policy & Performance Scrutiny Panel; and
- (3) Approve a revised interim charge for Suitable Alternative Natural Green Space (SANG) to be collected from developers that wish to mitigate their recreation impacts on the New Forest using Eastleigh Borough Council projects delivered on the strategic land.

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### **Summary**

This report sets out progress from July 2020 until September 2022 of the Strategic Land Acquisitions including proposed uses where appropriate.

#### **Statutory Powers**

\* Localism Act 2011

\*Section 33 agreements under the Local Government (Miscellaneous Provisions) Act 1982

### **Strategic Implications**

1. The projects being identified and carried out on Council owned land will contribute to creating a Green Borough by providing an Excellent Environment

for All, developing our green infrastructure and by Improving Wellbeing through enhancement and access to nature.

2. The Health and Wellbeing Corporate Strategy (2018) similarly emphasises the importance of increasing the use of open space and green infrastructure for everyday physical activity.

## **Introduction**

3. Reports to Cabinet in March 2021 and July 2022 approved mitigation and charging strategies for Nitrates and Phosphates utilising strategic land purchased by the Council for this purpose.
4. The Strategic Land Purchases, whilst delivering nutrient and phosphate mitigation also provide the opportunity to explore and develop opportunities to meet other strategic objectives which include investment in green infrastructure, habitat creation and renewable energy infrastructure.
5. Since July 2020, 238 hectares of land across 11 titles as shown at Appendix 1, has been purchased. This report updates Councillors on workstreams looking at land uses across these new land acquisitions and seeks approval for the revised interim charge for Suitable Alternative Natural Green Space (SANG) to be collected from developers that wish to mitigate their recreation impacts on the New Forest using Eastleigh Borough Council projects delivered on the strategic land.

## **General**

6. A Strategic Land Project Board comprising Council staff has been established to provide governance and monitor progress in relation to the Strategic Land acquisitions. Monthly reports are provided by this operational team to the Climate and Environmental Emergency and Community Projects Boards.

## **Progress to Date**

7. A comprehensive GIS map layer has been enhanced to map all Council owned land (including recently purchased strategic land).
8. Utilising this information, tenders have been issued to appoint consultants to inform a greater insight and understanding of the attributes and habitats of this land. This work will be concluded by March 2023, and it is anticipated this will inform recommendations for additional uses of the land including the generation of further mitigation credits.
9. In tandem various alternative land use projects are being progressed on the land to maximise its usage. These include Green Energy Projects (Solar, Private Wire Power Network and Green Heat Network), Tree Planting, Tree Nursery Relocation, Biodiversity Net Gain & Wetland Creation, provision of SANG and feasibility of additional cycle routes from Horton Heath to Eastleigh.

10. Land purchased at Stoke Park Farm and land adjacent to Bishopstoke Road completed in March 2022.

### **Nitrates & Phosphates**

11. To date the Council has signed S33 legal agreements with neighbouring Local Authorities for provision of nitrate mitigation to developments within their administrative area.
12. 11354 credits were identified as available from the land purchase however we have applied a blanket reduction of 5kg/HA in line with advice from Natural England Total Nitrate (TN) credits available to trade from purchase of strategic land is 10228Kg TN/yr (1 credit = 1Kg TN/yr). Cost per credit is £3000 plus VAT.
13. To date we have disposed of 1,814 credits, made offers to sell 1,766 credits, and ringfenced 4,000 credits for use at One Horton Heath. This leaves 3773 credits still to dispose of.
14. Phosphate credits are only eligible for use within Eastleigh Borough so no legal agreements with neighbouring authorities are required.
15. Total Phosphate (TP) credits available to trade from purchase of strategic land is 147 TP/yr (1 credit = 1Kg TP/yr).
16. To date we have received 6 enquiries to sell Phosphate credits but not sold or made any offers pending confirmation of our charge.
17. The interim charge of £4,500/dwelling for the Phosphate mitigation has been reviewed and compared to commercial offers from other providers. It is proposed that we revise our charge to £50,000 per credit (1 credit = 1kgTP/yr) and this is included within the Fees and Charges report to November Cabinet. The amount of mitigation required per dwelling varies between projects but ranges from 0.07 - 0.13.
18. The proposed charge is in line with other commercial offers in the market for Phosphate mitigation and removes the risk of under recovery of income by the Council compared to charging on a per dwelling basis.
19. We expect sale of Phosphate credits to commence Q4 22/23 once the Habitat Regulations Assessment (HRA) requirements filter through to planning permissions.
20. Based on the continued charge of £3,000 per Nitrate credit and proposed charge of £50,000 per Phosphate credit the total projected income from sale of nutrient credits is £38M with sales to date of £3.824M.
21. Focus over the next 6 months will be on securing larger volumes of confirmed income through liaison with other local authorities and direct approaches to developers.

## **Green Energy Projects**

22. The delivery of three Green Energy Development projects were approved at Cabinet on 23 May 2022, for the construction, installation, and ongoing management of ground mounted solar panels on land owned by the Council, a private wire network connected to the Council's existing and proposed solar farms adjacent to the One Horton Heath (OHH) development which would serve the non-residential property and electric vehicle charging demands of OHH and for a private wire heat network serving all new property at OHH.
23. The proposal that the Solar Farm is constructed on two separate land parcels is being reviewed in favour of locating these on adjacent land parcels off Allington Lane as the sites are not valuable farmland and will be better configured.
24. These projects are in the start-up phase and are being monitored through the Community Projects Board. Currently forecasting completion in Spring 2024.

## **Tree Planting**

25. In February 2019 the Council committed to planting 160,000 trees in the Borough by 2030 as part of its Climate and Environmental Emergency Programme.
26. 1,369 trees have been recorded as being planted across the Borough from 2020-2022 which included public planting days held at Itchen Valley Country Park (IVCP) in January 2022 through the Tree Sponsorship Schemes. Additional planting days will take place during the planting season from November to February each year.
27. The number of trees planted is below the anticipated trajectory detailed within the Tree Nursery report (Cabinet July 2020). Of the 5500 commitment only 1369 trees have been planted to date due to service pressures and previous Covid restrictions.
28. Survey information will inform which sites are best suited to tree planting and hedgerows. A planting plan and revised trajectory will be developed during 2023 to achieve the 2030 target.

## **Tree Nursery Relocation**

29. To support the 160,000-tree planting commitment, Cabinet approved the creation of a Council owned and operated Tree Nursery in July 2020, located on a temporary site of 2.8 hectares of land at OHH.

30. This has reached its growing capacity (30,000 trees in stock) and as the OHH scheme progresses, the land occupied by the tree nursery will be required for development by December 2025.
31. Surveying information will identify the location for the permanent tree nursery.

### **Biodiversity Net Gain & Wetland Creation**

32. In December 2021, Cabinet approved a draft Biodiversity strategy ahead of public consultation. The strategy aims to:
- a. create a minimum of 50 hectares of new habitat and restore a minimum 50 hectares of existing habitat in priority areas.
  - b. plant additional trees of the right species and maturity of tree in the right place to ensure maximum ecological benefit.
  - c. seek to protect and improve existing designated nature conservation sites and increase the number for Sites of Importance for Nature Conservation (SINC) by 10%; take specific, measurable action aiming to halt or reverse the decline of key species so that fewer species are in decline or vulnerable.
  - d. ensure all relevant development meets the required biodiversity obligations of a minimum of 10% biodiversity net gain enshrined in the Environment Act.
33. The survey information will provide a greater understanding of the attributes and habitats within Council owned land. Once received, the strategic aims of the Biodiversity Strategy can be addressed through multiple on-site ecological improvements and comprehensive planting schemes.
34. In addition, the Strategic Land purchases provide the opportunity to explore additional wetland creation. Proposals to create new wetlands are being considered on Council owned sites. Before these can be brought forward as potential mitigation, further work is required including water quality monitoring, detailed design and the development of a business case. In addition, forthcoming legislation may impact on the proposed solution.

### **Suitable Alternative Natural Green Space (SANG)**

35. In March 2022 Cabinet approved an interim New Forest Mitigation strategy to create SANGs within the Borough and secure financial contributions towards the management and monitoring of visitor pressures as mitigation of the impacts of the Borough's increasing householder population on the New Forest National Park.
36. The Strategy is for 5 years and committed the Council to creating SANGs equivalent to 27.1 ha and providing a contribution towards a new ranger employed by the New Forest National Park Authority. The cost of this is to be funded through developers' contributions secured against new residential development. The quantum of SANG required was based on the need to mitigate the forecast outstanding requirement to March 2027 of 5,648 dwellings.

37. The Strategy proposed improvements to IVCP (12.8 ha) which increased visitor capacity and dwell time and provides mitigation for OHH and a new SANG (14.3 ha) to be located on the land east of Allington Lane. However, further investigation has concluded that the Allington Lane site has a number of factors limiting its suitability as a SANG, whilst having had regard to future pressure from residential development the SANG would be better located elsewhere in the Borough for the catchment area to reach more existing and new residents. In addition, the proposed Allington Lane site would be more commercially viable for the new solar park due to its location adjacent to the previously considered solar farm west of Allington Lane.
38. The approved interim charging schedule has been reviewed in light of these changes and the agreed strategy (i.e. the funding of IVCP improvements and its use) to provide effective mitigation for the One Horton Heath development. The evidence based total cost for the provision of a new SANG has increased, whilst the contribution towards a New Forest ranger remains at £45,000 per year as agreed with the New Forest NPA.
39. To ensure adequate funding is secured to deliver the SANG strategy a revised charge of £2,220 per dwelling (increased from £1161 per dwelling) is proposed with immediate effect. With development encouraged to provide their own mitigation ideally as close to the development site as possible, the Council will be mitigating the impact of the OHH development via the improvements at IVCP with the capacity increases offsetting the additional dwellings at OHH. The cost for the IVCP improvements to provide specific mitigation for the OHH development is £331.79/dwelling (see Appendix 2).
- 40.
41. A breakdown of costs is as follows; these contributions are index linked from January 2024 with a base date of November 2022:

<b>Allocation</b>	<b>Contribution</b>
New Forest SANG	£1968.24
New Forest Ranger	£41.07
Monitoring	£9.13
Commercial Risk	£201.84

42. This charge is based on the same estimate for creation of a 14.3 Ha SANG project but now only on the number of qualifying dwellings within the anticipated catchment of the SANG that can contribute to its creation and long-term management. Appendix 2 provides the full breakdown of the proposed charge.

### **Hedge End – Eastleigh Cycle Route**

43. The feasibility of providing a direct cycle way to link Hedge End and Eastleigh has been explored. Initial investigations identified a preferred route however significant constraints relating to delivery remain as follows:
- a. Land ownership – EBC do not own all the land along the preferred route required to build a cycle route from Hedge End to Eastleigh
  - b. Construction of a cycleway would need to overcome constraints such as floodplains, SINC (Site of Importance for Nature Conservation) and SSSI, (Sites of Special Scientific Interest) ecology, water crossings and ancient woodlands
  - c. The cycle route is not currently financially viable as a stand-alone business case and would need to be undertaken in combination with other projects to make it achievable
44. Whilst the delivery of a cycle route from Hedge End to Eastleigh is challenging the route and the land secured to date is safeguarded. Officers continue to explore options to overcome the identified constraints to ensure that the potential to deliver a cycleway in the future is not compromised.

### **Financial Implications**

45. The Financial implications linked to the workstreams above have been highlighted in the relevant business cases that have been brought before Cabinet and will be reported on an ongoing basis through the regular financial monitoring reports to Cabinet.
46. Where charges have been amended for sale of nutrient and SANG credits this will bring additional income to the Council. It is considered prudent to retain existing income budgets and only inflate these when income streams in excess of the budget are achieved.

### **Risk Assessment**

47. The acquisition of the strategic land alongside exiting Council owned land represents a significant and ambitious step forward towards achieving wider strategic objectives for the Borough.
48. This report provides a general progress update on the strategic land acquisitions and as such there are no report specific risks. Individual project risks are recorded and monitored through respective Projects and Programme boards.

### **Equality and Diversity Implications**

49. The Equality Act is not relevant to the decision in this report because:
- It is a report dealing with internal or procedural matters only. Therefore, it is considered that for this decision the Equality Duty does not need to be

addressed and an Equality Impact Assessment (EqIA) has not been carried out.

## **Climate Change and Environmental Implications**

50. As detailed in the updates within this report, the proposals being explored for alternative land usage will have a positive impact on the environment and climate resilience. The aim being to protect and enhance these environments and promote environmental resilience. In addition, it provides practical opportunities to support mitigation or adaptation to climate change (through renewable installation, rewilding, wetland creation etc)

## **Conclusion**

51. This report provides Councillors with a progress update on the Strategic Land acquisitions and other Council owned land. In addition, recommends approval of the revised interim charge for SANG to be collected from developers that wish to mitigate their recreation impacts on the New Forest using Eastleigh Borough Council projects delivered on the strategic land.

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Appendices Attached: 2

## **LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

None.