

Grainger Plc

Berewood: S.96A Submission

Date of report: July 2026

PREPARED FOR

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1. Executive Summary

- 1.1 This report supports Grainger Plc's (Grainger) proposed Section 96A (S.96A) application to amend Condition 1 of the Berewood outline planning consent (10/02862/OUT), seeking a three year extension to the deadline for submitted reserved matters applications (from March 2027 to March 2030).
- 1.2 As set out in this report, the justification provided to enable the local authority to support the application is summarised as follows:

Substantial delivery achieved: Approximately 80% of the scheme (circa 2,046 plots sold; 1,930 units approved) has been delivered since consent was granted in 2012, with core infrastructure largely in place and significant S106 obligations completed or underway.

Remaining development: Around 20% of the scheme remains, including circa 500 residential units, employment land, local centre uses, infrastructure, and public realm works. These are programmed to be brought forward progressively to the market over the next few years.

External constraints: Delivery has been slowed by macro-economic factors (Brexit, Covid-19, Ukraine conflict, inflation, and rising interest rates), alongside weakened residential market conditions in southern England and increased build costs impacting viability and land sales.

Planning delays: Extended determination timescales for applications and S106 matters (in some cases exceeding four years) have materially affected delivery momentum, infrastructure sequencing, and developer confidence.
- 1.3 Grainger has considered a range of alternative planning approaches, including a new outline application, submission of all reserved matters applications ahead of the March 2027 deadline, full drop in applications and the use of Section 97(1)(a) powers. These options have, however, been discounted due to the anticipated delays in implementing them, the complexity and uncertainty around their outcomes and the risks to further housing delivery, viability and commercial constraints resulting from additional delays.
- 1.4 The submission of a S.96A application is identified as the most expedient route with the request for a three year extension to the timescales required for the submission of reserved matters applications considered proportionate in the context of the remaining delivery requirements.
- 1.5 Overall, the proposal to amend the wording of Condition 1 of the outline consent to enable an additional three years for the submission of reserved matters applications is considered a pragmatic and policy-compliant solution which will ensure the ongoing delivery of this strategically important site.

2. Introduction

- 2.1 The purpose of this document is to inform an application to be made Winchester City Council and Havant Borough Council in respect of a S.96A application to amend Condition 1 of the outline consent 10/02862/OUT and APP/1/00828.
- 2.2 Given the limited time available to implement the remaining reserved matters application, Grainger sought advice from Leading Counsel (Christopher Boyle KC) on the ability to use the powers of S.96A or S.97(1)(a) of the Town and Country Planning Act to amend the wording of Condition 1 of the above referenced consents, and extend the timeframe for the submission of the reserved matters applications. The KC advice concludes that S.97(1)(a) is lawfully open for use by the Council to amend the wording of Condition 1 and to add an additional condition to extend the timeframe available for the submission of reserved matters applications relating to the remaining land parcels.
- 2.3 Grainger's KC advice was presented to Winchester and Havant officers in a meeting on 26 September 2025, with it being agreed that the Council's would seek their own KC advice for further consideration and discussion. The Council's KC advice provided by Josef Cannon KC was issued on 30 March 2026 and sent to Grainger on 20 May 2026
- 2.4 In summary, the Council's advice agrees in principle with the use of S.97 (1)(a) for the modification of an application setting a deadline for submission of reserved matters approval applications, but notes the timescales associated with the process and potential complications to delivery of the outline consent as a result. Moreover, the response notes the potential for the use of s.96A as an available option to extend the time set by Condition 1 of the outline consent
- 2.5 Following the receipt of the advice, a meeting was held with Winchester and Havant officers to discuss the advice received. In the discussion, the possibility of extending the outline consent by way of a S.96A application was discussed, with the Councils being of the view that, if Grainger can adequately justify an extension which can reasonably be considered non-material in the context of the outline scheme, the Councils would be open to considering this route as an approach to amending the wording of Condition 1.
- 2.6 This document sets out Grainger's justification for the submission of a S.96A application, which will seek to amend the wording of Condition 1 to add an additional three years to the delivery timescales of outline application 10/0286/OUT.

3. Development Status

- 3.1 This section of the report provides a summary of the current position of the development's progress and summarises the remaining parts of the outline consent to be delivered.

Residential Land Sales

- 3.2 To date, Grainger has sold land parcels equating to a total number of units sold totalling 2,046. All parcels with the exception of Phase 10b (116) have received RMA approvals, resulting in approval of 1,930 residential units across the site.
- 3.3 Berewood has outline consent for approximately 2,550 units. Grainger has completed 80.24% of residential land sales.
- 3.4 At the time of writing this report, current occupations across all land parcels sold are at 1,432 units.

Employment Land

- 3.5 All reserved matters applications required to be submitted for the Employment Land (known as Proxima Park) have been consented or are currently being considered by the relevant Local Planning Authority.

Infrastructure

- 3.6 Approximately 95% of SuDS features have been installed on the development with minimal remaining on site works to be completed for the delivery of the approved SuDS. On this basis, circa 5% of the total SuDS to be delivered are yet to gain planning consent. The remaining SuDS are to be located within Phases 02, 05, E1 and E2.
- 3.7 Twenty-five percent (25%) of the remaining substations to be delivered are yet to receive planning consent.
- 3.8 Core on-site infrastructure is substantially in place, with the Phase 1 spine road (S38) now approaching adoption.
- 3.9 There are three infrastructure schemes remaining which require full construction works to be carried out, including Phase 4, Southern Access Junction and London Road Toucan Crossing. Details relating to the infrastructure works for these elements of the scheme are currently subject to a submitted planning application and/or S.278 agreement.

S106 Items

- 3.10 **Primary Schools:** Both the Northern and Southern Primary schools listed within the S106 requirements have been delivered and are occupied. The northern primary school (known as Berewood Primary) opened in September 2014, with the southern primary school (known as Newlands Primary) opened in September 2025.
- 3.11 **Cricket Pavilion:** The cricket pavilion infrastructure contract was completed at the end of May. The pavilion contractor commenced at the beginning of June. The program currently shows completion of the facility at the end of May 2027.
- 3.12 **Local Centre:** The Local Centre offers, including the delivery of the community centre are currently being considered by Grainger with the intention to appoint a developer by Q3 of 2026. Should this timescale be met, it is expected that the incoming developer will submit a planning application by Q4 2026/Q1 2027 with an anticipated consent by Q2 2027.

- 3.13 **Extra Care and Health Centre:** The land for the extra care and health centre land has been offered to HCC and NHS respectively in accordance with, and beyond, the S106 requirements of the outline consent. Frustratingly, despite offering more than Grainger was obliged to as per the S106, no agreement has been reached and discussions relating to the acceptance of the land are ongoing.
- 3.14 **Allotments:** Physical works relating to the Northern and Southern Allotments have been completed in line with planning approvals, with the allotments to be handed over to the relevant authority for management following resolution with the LPAs on matters relating to open space adoption requirements.
- 3.15 **Town Park:** The southern section of the Town Park, referred to as Town Park Phase A in planning documents is in place, providing the development with a skate park, a multi-use games area, a youth shelter and a play park.
- 3.16 The northern section of the Town Park, referred to as Town Park Phase B in planning documents, has planning consent and is currently out to tender with commencement of works programmed for Q3 2026. The cricket pitch and cricket pavilion are located within Town Park Phase B with the works subject to a separate tender and delivery process, as set out in the preceding paragraphs.
- 3.17 **Community Nature Reserves:** The Newlands Community Nature Reserve has planning consent with the works out to tender with commencement programmed for Q3 2026. The River Wallington Community Nature Reserve has been progressed with a minimal amount of soft landscaping works to be completed around the Promixa Park development. This work has been staged to allow the employment units to be delivered without impacting Grainger's landscape works.
- 3.18 **Play Areas:** 80% of the LEAP and NEAP play areas listed within the outline consent have been completed in line with their planning approvals. With one remaining LEAP to be provided in close proximity to Phase 6.

Remaining Delivery

- 3.19 Table 1 highlights the land sale trajectory for the remaining parcels for I development.

Table 1: Remaining Land Parcels

Land Parcels	Anticipated Land Sale (Year)	Relevant Authority
Phase 4 – Montague Heath	2029 / 2030	Winchester / Havant (TBC)
Phase 5B – Badgers Mead	2028 / 2029	Winchester
Phase 6A – Residential	2029 / 2030	Winchester
Phase 6B – Woodlands Edge North	2026 / 2027	Winchester
Phase 6C – Berewood Green North	2026 / 2027	Winchester
Phase 7 – Pavilion View	2027 / 2028	Winchester
Phase 13B – Orchard View	2027 / 2028	Winchester
Phase 9 – School Extension Land	2026 / 2027	Winchester
Phase E1 (parcels M1 and M3)	2026/2027	
Open space (remaining landscaping, SuDs and play equipment). Relevant to land within phases E1, E2, 02, 04 and 05.	Transfer of land and relevant dates under discussion	Winchester

4. Market Conditions/Delay to Delivery

Overview

- 4.1 Since the outline planning consent was granted in 2012, there have been several significant macro-economic issues that have negatively impacted the UK residential sales and land markets resulting in a delay to delivery and a timescale for the implementation of the outline consent to be longer than originally anticipated.
- 4.2 Brexit, Covid-19, Russia's invasion of Ukraine and Liz Truss' budget are some of these key events. An explanation of how some of these have impacted the UK residential market is provided below.

Market Conditions

- 4.3 In the wake of Covid-19, and in combination with Russia's invasion of Ukraine, construction costs increased across Europe, with the UK being particularly badly impacted due to its greater reliance on foreign energy sources.
- 4.4 The year 2022 saw the highest rate of cost inflation in 40+ years, with materials driving the price spike. For example, pre-cast concrete rose by 36% year-on-year from 2021-2022, according to BCIS.
- 4.5 The higher costs of construction put negative pressure onto land values.
- 4.6 As reported by Savills Research team in April 2026 in a market review of Development Land across England, there are currently differing circumstances between the north and south when it comes to land values and sales rates, with the north faring better than the South East, South West and East of England where the market is less affordable. With limited improvements in sales rates housebuilders are showing caution with the sites they are buying, with the number of bids on the majority of sites in southern markets being lower than expected. This has had an impact on the timescales associated with the land sales and the values achieved, which is evidenced in the number of land sales achieved by Grainger since 2022.

Interest Rates

- 4.7 Between 2009-2021, the UK experienced the longest period of sub 1% interest rates since the Bank of England began keeping record in 1694.
- 4.8 Homeowners and many young people were not accustomed to the base rates being anywhere near the long-term average. When the base rates started moving up following the Conservative budget in Autumn 2022, mortgages became more expensive which prompted a slow-down in the residential markets.

Sales/Values Rates

- 4.9 There has been limited house price growth in the South Hampshire market since 2022, with recent changes to interest rates, employment taxation and labour costs resulting from Brexit eroding consumer confidence and leading to a reduction in the ability of people to access funding to buy new homes. This, coupled with increased labour and materials costs has created significant challenges within the housing market and a difficult environment in which to deliver homes. Lucian Cook, Head of Savills Research predicts that house prices will fall by a further 2% this year, before growth in the market next year. Only when growth happens in the housing market will issues around the viability of buying land for and delivery housing start to be addressed. Ultimately, substantial

increases in build and material costs at a time of no house price growth results in viability issues for developers looking to buy land. Further viability pressures are added from 'policy inflation' in the form of increased costs as a result of environmental/sustainability policy requirements, CIL and S106 costs (when applicable). The slowdown in the purchasing of land by developers is evidenced by the difficulties had with agreeing viable land sales at Berewood since 2024. Whilst positive discussions are currently being had with interested parties on the sale of parcels M1, M3, 6b and 6c, these sales have yet to be completed and there will be a reliance on the market remaining stable for them to progress. Monthly occupation rates have varied across the site in recent years. In 2023, a total of 65 units were occupied across all sales outlets, with 85 occupied in 2024, 165 in 2025 and 14 so far for 2026. The differing occupation rates account for affordable housing handovers and some large areas of residential parcels being bought by one investment owner.

- 4.10 A 2024 research paper published by Savills (Appendix 1) identified a significant decline in demand for Section 106 housing, primarily driven by the constrained financial capacity of Registered Providers (RPs) and an increased focus on investment in existing housing stock. The report highlighted that this trend has not only adversely affected affordable housing delivery but also poses a broader risk to overall housing supply. As RPs scaled back development activity, Section 106 delivery was projected to experience the most pronounced reduction, with many providers either withdrawing from acquiring such units altogether or substantially reducing their requirements. During this period, larger RPs increasingly prioritised alternative delivery models, particularly land-led, grant-funded schemes, which offer greater control over design and product specification. Consequently, the limited pool of purchasers for Section 106 units resulted in RPs adopting a more selective approach to opportunities.
- 4.11 This market context was reflected in Grainger's experience in 2024, where attempts to dispose of land parcels were unsuccessful due to a prospective housebuilder being unable to secure a Registered Provider, ultimately preventing the transaction from completing. Although more recent evidence suggests that market conditions are evolving – supported by a 2025 market update (Appendix 2) indicating renewed RP confidence and increased development intentions over the forthcoming five years – the earlier slowdown in delivery has had a direct and material impact on Grainger's land disposal programme. This, in turn, has affected the ability of housebuilders to progress and submit reserved matters applications in line with anticipated delivery timescales.

Delays to the delivery of Parcels M1 and M3

- 4.12 In 2023, Grainger commissioned Savills Economics team to review the need for office employment, town centre and retail uses at Berewood in the context of the current employment market and economic climate at that time. The report noted that at that time, emerging policy was focused on protecting and enhancing town centre uses within town centres, such as the neighbouring Waterlooville Town Centre, with office space needs focused in and around Southampton and Portsmouth cities. The report was written in a post-Covid market, in which the housing market was stronger than the office space/employment space market, with the conclusions of the report leading Grainger to focus its planning strategy on promoting parcels M1 and M3 of the Berewood Major Development Area for residential use.
- 4.13 Now, the housing market has softened and it has become more difficult to sell land at the required value and as such it makes sense to revert back to the original intentions of the outline consent and promote the land for mixed use. There has been strong interest from the market with enquiries coming from six care home providers, retail and drive thru developers. Discussions with interested parties are currently being carried out with the intention for the land sales to be completed in 2026/27.
- 4.14 The change in planning strategy for the delivery of these parcels over the last five years, has been heavily influenced by a fluctuation in economic circumstances and a changing residential and

employment market, and has, as a consequence resulted in delays to the sale of parcels M1 and M3.

Planning Timescales

- 4.15 The timescales associated with the resolution of planning applications submitted to both Winchester and Havant Councils, along with protracted discussions with the County Council in relation to S106 matters, has significantly impacted on site and off site infrastructure delivery, resulting in greater costs to Grainger resulting from additional consultants' time, rising costs from contractors and increased material costs. The delays resulting from the planning considerations has also resulted in caution from housebuilders when reviewing the development status in relation to land sales. Housebuilder caution stems from the perceived risks associated with the timescales for completion of infrastructure, the impacts this may have on housing delivery/sales and considerations around the timings of multiple housing outlets across the site.
- 4.16 Table 2 identifies the timescales between submission and determination of key planning applications, or S106 matters since circa 2020 as a demonstration of the delays caused to the momentum and delivery of the scheme since this time.

Table 2 – Submissions

Submission	Submission Date	Determination Date	Timescale
S106 DOV 1	15/06/2021	03/09/2025	4 Years and 3 months
S106 Health Centre	01/09/2025	Ongoing	-
S106 Extra Care	16/10/2025*	Ongoing	-
S106 SAJ	01/09/2020*	Ongoing	-
Town Park RM (Phase B)	19/07/2024	19/12/2025	16 months
NCNR Landscape RM	22/05/2020	03/06/2021	13 months
Phase 4 Infrastructure(WCC)	29/08/2025	29/01/2026	5 months
Phase 4 & SAJ (HBC)	21/01/2026	Ongoing	-
Phase 5a Residential	09/11/2021	07/10/2022	11 months
Phase 3b Residential	09/11/2021	07/10/2022	11 months
Phase 9c/11a Residential	01/09/2022	13/10/2023	13 months
Phase 8 Residential	06/01/2025	19/09/2025	8 months
Phase 12 Residential	16/12/2024	24/03/2026	15 months
Phase 11b Residential	03/07/2025	23/03/2026	8 months

*Date key discussions with the relevant authority began

5. Alternative Approaches Considered

- 5.1 Grainger has considered the alternative planning application processes which could be used to deliver the remainder of the infrastructure and residential units approved under the outline consent, as follows:

Outline application: The option of allowing the existing consent to lapse has been considered in the context of Grainger seeking to progress a new outline application for the remaining land parcels. Not only would the submission of a new outline application be a lengthy process in terms of both its preparation and determination, but the submission of a new outline consent on land subject to Reserved Matters consents and the parts of those consents still being built would have Hillside implications for the 2012 outline consent. It is also likely that the submission of a new outline consent would lead to a viability assessment being submitted alongside it, with the potential to reduce the level of affordable housing delivered across the development. The combined implications are that the submission of a new outline consent would result in significant delays to the delivery of the remaining much-needed housing.

Reserved Matters: An RMA approach has been considered to enable all outstanding applications to be submitted ahead of the March 2027 deadline. This is considered both a costly and cumbersome approach. Grainger, as Master Developer for the site, does not deliver the housing requirements which require RMA submissions. This approach would require Grainger to prepare and submit RMAs for the remaining land parcels ahead of the land sales, with all applications to be made within a six-month period. This would put additional strain on the Local Authority's resources and is likely to result in a number of the RM applications requiring subsequent amendments through NMA or S.73 applications as land parcels are transferred to individual developers.

In addition, even with RM consents granted for the remaining land parcels, Grainger would still be required to phase the land sales as housebuilders will want to limit the number of homes on the market at any one time to prevent oversaturation of the market. The submission of a tranche of RMs prior to the March 2027 deadline would not, therefore, result in the delivery of housing (including affordable housing) any sooner than if the requested S.97A is granted.

Full 'drop in' applications: the submission of 'drop in' full planning applications for the remaining land parcels has been considered but raises considerations around the Hillside principles and ultimately results in the same viability considerations as set out against the outline application requirements. There remains a requirement to ensure that any extant S106 requirements of the outline consent would be tied into the relevant full planning applications which is likely to result in complications to negotiations and the timescales for approval and delivery of the land parcels.

Section 97(1)(a) – The implementation of Section 97a has been explored by Grainger. While this approach has validity, given the time required for implementation and the expiry of the outlined timeframe, it is not considered appropriate to pursue this option at present.

- 5.2 As presented, the alternative options do not provide Grainger with the ability to secure an extension to the outline application in a timely and affordable manner. It is therefore the intention to pursue the submission of a S.96A application.