

AGENDA FOR THE EXECUTIVE

Date: Monday, 22 February 2016

Time: 6.00 pm

Venue: Collingwood Room - Civic Offices

Executive Members:

Councillor S D T Woodward, Policy and Resources (Executive Leader)

Councillor T M Cartwright, MBE, Public Protection (Deputy Executive Leader)

Councillor Miss S M Bell, Leisure and Community

Councillor K D Evans, Planning and Development

Councillor Miss T G Harper, Streetscene

Councillor Mrs K Mandry, Health and Housing



1. Apologies for Absence

2. Minutes (Pages 1 - 8)

To confirm as a correct record the minutes of the meeting of Executive held on 8 February 2016.

3. Executive Leader's Announcements

4. Declarations of Interest

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

5. Petitions

6. Deputations

To receive any deputations, of which notice has been lodged.

7. Minutes / References from Other Committees

To receive any reference from the committees or panels held.

Matters for Decision in Public

Note: Where an urgent item of business is raised in accordance with Part 3 of the Constitution, it will be considered with the relevant service decisions as appropriate.

8. Planning and Development

Key Decision

(1) Delivery of Welborne (Pages 9 - 34)

A report by the Director of Planning and Regulation.

P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk

12 February 2016

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FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 8 February 2016

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
T M Cartwright, MBE, Public Protection (Deputy Executive Leader)
Miss S M Bell, Leisure and Community
K D Evans, Planning and Development
Miss T G Harper, Streetscene
Mrs K Mandry, Health and Housing

Also in attendance:

Mrs M E Ellerton, Chairman of Public Protection Policy Development and Review Panel
Mrs C L A Hockley, Chairman of Leisure and Community Policy Development and Review Panel; for item 8(1)
L Keeble, Chairman of Streetscene Policy Development and Review Panel
A Mandry, Chairman of Planning and Development Policy Development and Review Panel; for item 11(3)
D C S Swanbrow, Chairman of Scrutiny Board
M J Ford, JP, Mayor
C J Wood, for items 11(2), 11(5) and 11(6)
Mrs K K Trott, for items 9(1) and 11(1)
R H Price, JP, for item 10(1)



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the Minutes of the meeting of the Executive on the 11 January 2016 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader reminded Members that George Osborne announced the results of the Government's Comprehensive Spending Review in November 2015. The main message was that the Government would continue its drive to reduce the National Debt and, as a result, it would be necessary to cut public spending. Details have since been received of the Local Government settlement and it comes as no surprise that the Council faces a significant reduction in funding for the period 2016 to 2020. The financial arrangements for Councils are complicated, but we have been working through the figures to understand what this actually means for Fareham Borough Council.

In summary, we will have to reduce our annual budget by approximately £1 million by April 2018 which is in the 2017/18 financial year.

Putting the figure of £1 million into context, since 2008, we have successfully identified £5 million in annual savings, and our net budget is now less than £9m compared to over £12 million a year at the start of the recession. This has been achieved through careful planning, being creative and innovative, but also taking some difficult yet measured decisions about where we spend taxpayer's money. For example, our commercial property strategy has had a positive impact on Council revenue, and if it were not for this and our work with Vanguard to transform front line services, the budget gap would have been £1million higher.

Finding another £1 million by 2018 will be a challenge, but because of our prudent approach we do not have to make any savings for the financial year ahead, starting in April 2016, so there will be no need for any sudden decisions. I have, however, asked the Chief Executive to start work on closing the budget gap, and to bring forward proposals for the Executive to consider later this year, so we are well prepared and can minimise the impact on our residents and our staff.

4. DECLARATIONS OF INTEREST

Councillor C J Wood declared a Non-Pecuniary Personal Interest when he addressed the Executive on item 11(5) – Award of Contract - Daedalus Airfield Operator, due to the close proximity of his parents' property to the Daedalus site. He remained present in the room for the discussion and voting.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

The Executive received a written Deputation from Mrs Carol Massey in relation to item 8(2) Leigh Road Tennis Courts – Conversion to Car Parking.

7. MINUTES / REFERENCES FROM OTHER COMMITTEES

7(1) Scrutiny Board: 14 January 2016

Minute 7 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax for 2016/17.

The Board considered a report by the Director of Finance and Resources on the Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2015/16.

The Board was informed that since the publication of the report, the figures on page 39 that relate to littering and fouling have now changed with the proposed fee for Dropped Litter being £80.00 and the proposed fee for Fouling of Land being £100.00.

The Board recommended that further clarification be provided to explain what the unallocated fees that are shown throughout the report are for. The Director of Finance and Resources confirmed that he would provide more detail on these figures.

It was AGREED that, subject to the further clarification being added to the Executive report to explain the unallocated fees, the Executive notes the Board's approval of the report.

This item was considered by the Executive at agenda item 11(2).

7(2) Scrutiny Board: 14 January 2016

Minute 9 – Housing Revenue Account Budget and Capital Plans 2016/17.

The Board considered a report by the Director of Finance and Resources on the Housing Revenue Account Budget and Capital Plans 2016/17.

It was AGREED that the Board recommends to the Executive the proposals as set out in Appendix A of the report.

This item was considered by the Executive at agenda item 11(1).

7(3) Scrutiny Board: 14 January 2016

Minute 10 – Review of Licensing Policy

The Board considered a report by the Director of Planning and Regulation on a review of the Licensing Policy.

The Board commented that the policy document was very clear and easy to read and understand.

A report on this item will be considered at a future meeting of the Executive.

8. LEISURE AND COMMUNITY

(1) Fareham Community Savers Reallocation

At the invitation of the Executive Leader, Councillor Mrs C L A Hockley addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) that the Council's £6,469 share from the now defunct Fareham Community Savers initiative be added to the Youth Activities Grant Fund for the provision of open access youth activities in the Borough and is allocated in accordance with the agreed criteria; and
- (b) that First Wessex be asked to allow their share of the funding to be allocated for the provision of youth services in the Borough of Fareham

(2) Leigh Road Tennis Courts - Conversion to Car Parking

The comments of the deputation were taken into account in considering this item (see minute 6).

RESOLVED that the Executive agrees that the redundant tennis courts adjacent to the Leigh Road entrance to the Park Lane Recreation Ground be converted to provide increased car parking provision.

9. PUBLIC PROTECTION

(1) Traffic Management

At the invitation of the Executive Leader, Councillor Mrs K K Trott addressed the Executive on this item.

RESOLVED that the Executive agrees:

- (a) to note the progress on the current 2015/16 programme, considers planned work for 2016/17 identified in Appendices A to D to this report;
- (b) that the proposed Traffic Regulation Order Programme for 2016/17, as shown in Appendix B (Table 4) to the report, be approved; and
- (c) to note the work undertaken on the deployment of the Speed Limit Reminder signs, as detailed at Appendix D to the report.

10. PLANNING AND DEVELOPMENT

- (1) Local Plan Review and Fareham Town Centre and Portchester Regeneration Strategies: Proposed Member Working Group Arrangements.

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

RESOLVED that the Executive agrees that the Executive Member for Planning and Development be authorised to make arrangements for three Member Working Groups for the Local Plan Review, Fareham Town Centre and Portchester District Centre Regeneration Strategies.

11. POLICY AND RESOURCES

- (1) Housing Revenue Account Budget and Capital Plans 2016/17

The comments of the Scrutiny Board were taken into consideration for this item (see minute 7).

At the invitation of the Executive Leader, Councillor Mrs K K Trott addressed the Executive on this item.

RESOLVED that the Executive agrees to recommend to Council that:

- (a) rents be approved for Council Dwellings as set out in paragraph 10 with effect from 4 April 2016;
 - (b) rents for Council garages be increased by 5% with effect from 4 April 2016;
 - (c) discretionary fees and charges be increased to provide a minimum increase of 5%, where possible, with effect from 4 April 2016;
 - (d) the revised budget for 2015/16 be approved;
 - (e) the base budget for 2016/17 be approved;
 - (f) the capital programme and financing for 2015/16 to 2019/20 be approved; and
 - (g) annual budgets and assumptions are set with the aim of ensuring sufficient surpluses are held to repay debt on the date of maturity of each loan.
- (2) Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17

The comments of the Scrutiny Board were taken into consideration for this item (see minute 7).

At the invitation of the Executive Leader, Councillor C J Wood addressed the Executive on this item.

RESOLVED that the Executive approves the following proposals and recommends them to the meeting of the Council to be held on 19 February 2016:

- (a) the capital programme and financing of £36,959.00;
- (b) an overall revised revenue budget for 2015/16 of £9,174,600;
- (c) a revenue budget for 2016/17 of £8,829,400; and
- (d) a council tax for Fareham Borough Council for 2016/17 of £145.22 per band D property, which represents a £5.00 increase when compared to the current year.

(3) Community Funding Review

At the invitation of the Executive Leader, Councillor A Mandry addressed the Executive on this item.

RESOLVED that the Executive considered the following changes to the Community Funding:

- (a) increase the time, from one year to two that successful applicants have to wait before being able to submit another Community Fund bid;
- (b) allow applicants setting up a new project, or running an existing project, to apply for a one off grant payment covering revenue costs, for a specified period of time agree with the Council;
- (c) amend the Community Fund Use Agreement to make it more robust; and
- (d) audit 10% of all applicants who receive funding of less than £10,000 and every applicant who receives £10,000 or more.

(4) Purchase of Commercial Investment - 136-138 Southampton Road

RESOLVED that the Executive agrees the purchase of 136-138 Southampton Road, Park Gate, Fareham as a commercial investment on the basis of the heads of terms set out in the confidential Appendix A.

(5) Award of Contract - Daedalus Airport Operator

At the invitation of the Executive Leader, Councillor C J Wood addressed the Executive on this item. He declared a Non-Pecuniary Interest due to the proximity of his parent's property to the airfield site. Councillor Wood remained in the room.

RESOLVED that the Executive agrees:

- (a) to award the contract to the bidder ranked in 1st position (as set out in Confidential Appendix A), this being the best combination of cost

effectiveness and service quality in terms of taking the airfield forward in line with the Council's Vision; and

- (b) that the Director of Finance and Resources be given delegated authority to agree the detailed terms of the contract with the successful bidder.

(6) Treasury Management Strategy & Prudential Indicators 2016/17

At the invitation of the Executive Leader, Councillor C J Wood addressed the Executive on this item.

RESOLVED that the Executive endorses the draft Treasury Management Strategy and Prudential Indicators for 2016/17, attached as Appendix A to the report, and submits the report to Council for approval.

(7) Commercial Property Investment Acquisition Strategy

RESOLVED that the Executive notes the update of the properties acquired in accordance with the Commercial Property Investment Acquisition Strategy.

(The meeting started at 6.00 pm
and ended at 7.10 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 22 February 2016

Portfolio:	Planning and Development
Subject:	Delivery of Welborne
Report of:	Director of Planning and Regulation
Strategy/Policy:	Local Plan Part 3 (Welborne Plan)
Corporate Objective:	Plan for the development of Welborne, a new sustainable community to the north of Fareham which achieves high environmental and design standards and provides a wide range of transport choices.

Purpose:

This report updates the Executive as the critical milestones for delivering the development of Welborne approach in order that a corporate objective can be met.

Executive summary:

This report provides an update to the Executive on the progress to date on the delivery of Welborne. It sets out a number of delivery options, and recommends a new development strategy to secure comprehensive development of the Welborne area with a land acquisition and development partner approach. The report therefore seeks approval to commence the processes for the selection of a development partner and for compulsory purchase.

Recommendations:

That the Executive agrees:

- (a) to delegate authority to the Director of Planning and Regulation to commence a selection process for a development partner to deliver an acceptable scheme that achieves the comprehensive development of the Welborne area in accordance with the Local Plan;
- (b) to note that the Director of Planning and Regulation will seek Executive approval for the appointment of a preferred development partner and the details of the proposed financial and commercial agreements to deliver the project at the appropriate time;
- (c) to delegate authority to the Director of Planning and Regulation to commence the Compulsory Purchase Order process necessary to secure the objectives of

the Welborne Plan and bring forward comprehensive development in the Welborne area by the carrying out of land referencing, survey and other information gathering activities to establish the detailed type and scope of powers required and extent of interests likely to be affected;

- (d) to note that the Director of Planning and Regulation will seek Executive approval for the making of a Compulsory Purchase Order(s) at the appropriate time;
- (e) to resolve that the use of the Council's compulsory purchase and associated powers (including but not limited to those under the Town and Country Planning Act 1990 and the Local Government Act 1972) to facilitate comprehensive development in the Welborne area would be justified in principle, subject to the Council being satisfied that the acquisition of each interest or right to be acquired is justified in the public interest;
- (f) to approve the promotion of, and seek grant funding opportunities for, the highways improvement works required at Junction 10 of the M27 motorway and the surrounding highway network required to secure the delivery of the comprehensive development of the Welborne area;
- (g) to delegate authority to the Director of Finance and Resources to acquire the interests identified, as set out in the confidential Appendix B, in the Welborne area in advance of a development partner being selected;
- (h) to note that the Director of Planning and Regulation will develop proposals for the future governance arrangements to oversee the progression of the Welborne Development Strategy (outlined in this report) and seek Executive and/or Council approval as appropriate;
- (i) to delegate authority to the Director of Planning and Regulation to procure appropriate external advisers to assist the Council in carrying out the above steps, subject to remaining within the overall approved budget provision for the project;
- (j) that subject to budgetary provision being made by the Executive as outlined in this report, to delegate authority to the Director of Planning and Regulation following consultation with the Executive Member for Planning and Development, to undertake actions to progress the Welborne Development Strategy, including but not limited to incurring expenditure, entering into partnership working arrangements, seeking grant and other funding opportunities and working with the appropriate Highways and Planning Authorities and other relevant statutory bodies, provided that these actions remain within the overall approved budget and Local Plan framework for Welborne set by the Executive and Council respectively; and
- (k) that the Executive be provided with regular progress reports on the progression of the Welborne Development Strategy on a schedule to be agreed following consultation with the Leader and the Executive Member for Planning and

Development.

Reason:

To consider and agree a new development strategy to secure comprehensive development of the Welborne area.

Cost of proposals:

There are significant financial and resourcing implications arising from the proposals in this report, and it will be appropriate to prepare a detailed programme of work and resourcing plan to take the process forward. The initial estimate of the work suggests that the process could require revenue expenditure of between £1m-£2m, depending on the scale and extent of the work that is undertaken. Initial funding of up to £100,000 will be necessary and this will be met from the Council's working balances reserve.

In order to acquire the properties identified in the confidential Appendix B, capital expenditure of approximately £1.8million will need to be made available to be spent in the 2016/17 financial year. This will need to be funded through borrowing.

Appendices: **A:** High-Level Programme Timeline

B: Welborne Development Strategy - Acquisition of third party owner occupied residential land interests (Exempt By virtue of paragraph (3) of Part 1 of Schedule 12A of the Local Government Act 1972)

C: Welborne Policy Boundary

Background papers: File of correspondence (Exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	22 February 2016
Subject:	Delivery of Welborne
Briefing by:	Director of Planning and Regulation
Portfolio:	Planning and Development

INTRODUCTION

1. This report recommends that the Council adopt a new development strategy for the delivery of Welborne and seeks authorisation to commence the necessary processes to select a development partner and for compulsory purchase.

POLICY BACKGROUND

2. Development potential at Welborne has been identified since the South East Plan was published in 2009. The Council adopted its Core Strategy in 2011 and established the new community as a Strategic Development Area within a broad location called the 'area of search'.
3. In 2015, the Council adopted the Welborne Plan, a development plan document setting out comprehensive development policies relating to development at Welborne.
4. The vision for Welborne is for the development of a distinctive, diverse and well integrated new community that is inspired by its landscape setting and which contains a mix of housing, employment and green space and which is connected to its surroundings by an integrated transport network.
5. There will be considerable infrastructure requirements for a new community in Welborne, the most critical of which in terms of delivery is the works required to improve Junction 10 of the M27 motorway.
6. The Council has prepared a Supplementary Planning Document providing design guidelines for development at Welborne and this was adopted by the Executive at its meeting on 11 January 2016.
7. The Local Plan sets the Council's housing targets and Part 3: Welborne Plan sets out detailed annual housing delivery targets for the period 2016-2036. However, the Council's Local Plan is under review with PUSH assessing future housing needs and progressing a revised South Hampshire Strategy which will culminate in revised figures expected to be adopted in the Local Plan Review.

LAND OWNERSHIP AND SITE PROMOTERS

8. The Welborne development plan area is principally in two ownerships with approximately 45% owned by each landowner. Each of the two principal landowners has had a separate site promoter who has worked with the council since the time of the preparation of the Welborne Plan.
9. The remainder of the Welborne area falls under various land ownerships. Importantly, land in the vicinity of the improvement works to Junction 10 of the M27 motorway, which is fundamental to the successful delivery of a comprehensive scheme, falls within numerous different land holdings.

EVALUATION OF THE COUNCIL'S POSITION VIS-A-VIS THE SITE PROMOTERS

10. Over the years, the Council has looked to support and has actively encouraged two site promoters in developing a scheme in accordance with the Welborne Plan
11. Despite discussions taking place over the past few years, the two site promoters have not submitted a policy compliant application(s) for comprehensive development of Welborne. The Development Sites and Policies Plan and the Welborne Plan together ensure that the Council has an up to date housing supply consistent with the Core Strategy and the revised PUSH South Hampshire Strategy 2012. However, the continued delay in progressing planning applications and the absence of any proposed timetable for the delivery of homes in the Welborne area, in accordance with the Welborne Plan, is likely to put the Council at risk of further hostile applications for development in inappropriate locations outside existing urban areas.
12. Accordingly, officers have reconsidered their approach in relation to development by the two site promoters in Welborne. To this end, the Council has first sought to establish what level of control the two site promoters actually have over the land and their contractual relationship with the principal landowners, and secondly sought to understand their intentions in terms of delivery arrangements going forward.
13. One site promoter has the benefit of developer options over the majority of the land of one of the principal landowners within the Welborne area. As such, it is considered that that site promoter has sufficient control to promote and deliver a scheme on that area of land (but not the entire Welborne area). However, its development experience is fairly limited to small local schemes in Hampshire. These are factors that cause some concern in relation to the company's ability to deliver a scheme of the magnitude and complexity required by the Welborne Plan.
14. As regards the other site promoter, it has recently been established that the promoter has no governing structure in place to have control over the land of the other principal landowner and the Council has not been furnished with any evidence to support its claim that it will take control in due course. It is understood that this land is subject to protracted legal proceedings and even then the resolution of those proceedings may not determine control nor place the land in the control of the site promoter. Furthermore, the site promoter is a limited company which has limited experience in residential development. These are factors that cause considerable concern in relation to the company's ability to take control of the relevant land and then to deliver a scheme of the magnitude and complexity required by the Welborne Plan.

OPTIONS AVAILABLE TO THE COUNCIL

15. Officers have considered what options are available to the Council in order to achieve the timely comprehensive development of Welborne.
16. One option is to encourage and support the submission of a planning application by the site promoter which is considered to have sufficient control over the land and has continued dialogue with the Council. However, there are considerable challenges for any such application. Firstly, any application would appear to be contrary to development plan policy which seeks the comprehensive development at Welborne. Secondly, any scheme on this land will need to be delivered in tandem with the improvement works to Junction 10 of the M27 motorway and the land required is not in the promoter's (nor the same landowner's) control, hence why the deliverability of any scheme is called into question. Thirdly, this land is essentially 'landlocked' and requires access through other land to support the necessary road network and movement through the area.
17. Another option is to wait until the land ownership issues on the other principal landowner's land have been resolved and encourage a joint application. Whilst this goes to some extent to addressing the policy position of seeking comprehensive development, it would not be able to address the anticipated problem of assembling all necessary land for the improvement works to Junction 10 of the M27 motorway, nor is there any indication or certainty when and if such a scheme would come forward, let alone be delivered by the site promoters given their development experience and financial backing.
18. The concerns relating to site assembly and deliverability of a comprehensive scheme, which includes the improvement works to Junction 10 of the M27 motorway, has led officers to consider the merits of selecting a development partner to develop the entirety of the scheme under a form of development agreement, whilst seeking to acquire the necessary land through agreement or by compulsory purchase with the costs met by the development. There are a number of benefits to this approach:
 - i. the development partner would be contractually bound to deliver homes. In contrast, even if a developer obtains planning permission, delivery is not capable of being enforced and there is limited ability through planning to compel delivery;
 - ii. it would secure comprehensive development and allow the Council to drive forward delivery to secure quality, programme and objectives that are compliant with the high level policies of the Welborne Plan;
 - iii. the selection process would test a development partner's credentials, its experience and ability both to raise the necessary finance as well as to promote a masterplan acceptable to the Council;
 - iv. with numerous smaller landholdings within the area and two site promoters who have not progressed any scheme to date, if negotiations are ultimately unsuccessful with those owners, exercising the Council's compulsory purchase powers would overcome the problems of land assembly to secure comprehensive development, and those anticipated in relation to the improvement works to Junction 10 of the M27 motorway;
 - v. the Council's costs relating to the Compulsory Purchase Order (CPO) could be met by the development partner as a condition of its appointment.

19. Disadvantages with the approach exist: there will be a significant period of time needed for the selection process of a development partner and the promotion of a Compulsory Purchase Order and elements of risk remain with both stages.
20. On balance, in the circumstances, officers consider the proposed development strategy set out in paragraph 18 to be the most appropriate with the best chances of successfully delivering homes in the Welborne area within a reasonable timescale. Members will be aware that land ownership and site promoters can change and officers will keep the strategy under review with the objective of delivery of homes in Welborne remaining key. If any circumstances change which warrant a change in or reconsideration of the development strategy, the Executive will be updated accordingly.
21. With this strategy in mind officers have begun a process of dialogue to inform the various Welborne Plan area landowners and site promoters. It is expected that dialogue with the landowners, and the one site promoter which has shown sufficient control over its developable land, will be maintained during the course of procurement activity and the formulation period of the CPO process in an effort to reach an agreement and potentially work collaboratively through to delivery; this is consistent with Government guidance on the compulsory purchase process. This twin-track approach is considered the best means of the Council taking the delivery forward.

NEXT STEPS

22. There are a number of significant steps required to be taken to achieve the delivery of a comprehensive policy compliant scheme in the timeframe anticipated in the Welborne Plan through the development strategy. These are:
 - i. there will need to be an appropriate selection process of a development partner culminating in the Council and the development partner entering into a development agreement;
 - ii. the development partner will submit and the Council (as Local Planning Authority) will determine a planning application; and
 - iii. the Council, and, when selected, the development partner will seek to acquire land by private treaty, but, failing that the Council will need to exercise its compulsory purchase powers.

SELECTION OF A DEVELOPMENT PARTNER

23. Executive approval is sought to authorise the Director of Planning and Regulation to commence the necessary work to prepare for and undertake an appropriate selection process for a development partner. This preparatory work will involve amongst other things assessing the infrastructure requirements, the property costs and the viability of a potential scheme, undertaking soft market testing, appointing specialist legal advisors, and preparing a specification and the objectives, milestones and deliverables required from the development partner.
24. The selection process is envisaged to last approximately 12 months, resulting in a development partner entering into a development partner contract and potentially other related contracts. There will be a need to determine the appropriate structure for the arrangement with the development partner following and informed by the soft market testing exercise.

25. The selection process will enable the Council to appoint a developer with a proven track record with appropriate financial backing to support the costs of development.
26. It will also enable the Council, with input from other relevant public sector organisations, to shape the nature of the development and to drive up quality during the selection process such that the Council will be able to secure the pace of delivery to ensure that the vision for Welborne is delivered and accords with the Welborne Plan.
27. In preparing the specification, objectives and deliverables, the Council will have to find a balance between being too prescriptive and thus discouraging bidders and ensuring that an acceptable and viable scheme will come forward and be delivered within an appropriate timeframe.
28. Contracting with a development partner following a suitable selection process will ensure that the Council is best positioned to oversee the delivery of Welborne.

Progression of Planning Application

29. In order to achieve comprehensive development, officers would envisage the application for planning permission (prepared and submitted by the Council's selected development partner) to seek comprehensive residential-led mixed use development including the provision of:
 - i. up to 6000 homes, 30% of which will be affordable;
 - ii. 97,250 sq. metres of new office, light industrial and warehouse floorspace;
 - iii. an 'all-moves' Junction 10 on the M27 motorway;
 - iv. one new secondary school and three new primary schools;
 - v. Bus Rapid Transit to serve the new community;
 - vi. new district and local centres containing a range of local shops and services;
 - vii. new community space and health facilities; and
 - viii. a significant quantum of open greenspace, play areas, allotments and sports facilities.

PROGRESSION OF COMPULSORY PURCHASE ORDER

Extent of Land Subject to the Compulsory Purchase Order

30. The boundary of the land which will be subject to the Compulsory Purchase order will continue to be refined as detailed plans are drawn up and land is acquired by agreement. At this stage, it should be considered as that area of land, which is required to deliver the objectives of the Welborne Plan, as set out in the attached plan at Appendix C.

Acquisition of Land by Agreement

31. Officers have identified 3 residential properties within the Welborne plan area whose owners have intimated a desire to sell their properties at the earliest opportunity. Accordingly, and in line with Compulsory Purchase Order guidance, the Council has sought to negotiate the purchase of these properties. The Executive is requested to approve and authorise the Director of Finance and Resources to purchase those properties on the terms as indicated in the exempt Appendix B. Whilst these properties will be purchased and held by the Council for planning purposes relating to and enabling development at Welborne, and thus avoiding the need for a CPO in respect of the owners' rights in respect of their property, the financial implications and how the

residential units can be utilised until they are required for development have been considered and are of relevance.

Justification for the Compulsory Purchase Order (CPO)

32. The Council is able to make a CPO to acquire land and interests in land to bring forward development in its area using, amongst other powers, the powers under s.226(1)(a) of the Town and Country Planning Act 1990 (as amended). This power is designed to facilitate development projects and is considered the most appropriate power available to the Council. To apply, it must be considered that the development is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area.
33. The Welborne Plan promotes the development of an integrated and sustainable community that incorporates high standards of sustainable design and which will have access to a range of local employment opportunities and social infrastructure. The Plan ensures that the development avoids or mitigates potential ecological and flooding impacts, respects and enhances the landscape qualities, incorporates significant areas of greenspace and provides a range of sustainable and improved transport measures.
34. The recently approved Welborne Design Guidance Supplementary Planning Document sets out key requirements expected as part of proposals coming forward in the Welborne Plan area in order to progress certainty for co-ordinated delivery of the vision for a comprehensive development.
35. Recent Government Guidance (October 2015) updates and replaces previous guidance from 2004 and sets out the stages and process for CPOs. The guidance sets out that a CPO should only be made where there is a compelling case in the public interest and the purpose for which the CPO is made justifies the interference with the human rights of those affected.
36. The guidance also advises that resource implications for the proposed scheme need to be addressed, as well as a programme for delivery of infrastructure and remedial works and obtaining consents such as planning permission. The ability to deliver such a comprehensive scheme, on the scale needed at Welborne, will be at the forefront of the process of seeking a development partner.
37. In the circumstances and for the reasons set out above, it is considered that the Council will be able to demonstrate a compelling case that the acquisition of land in the Welborne area will be in the public interest.

PROMOTION OF M27 JUNCTION 10 IMPROVEMENT

38. Securing the remodelling improvements to Junction 10 of the M27 in order to both service the Welborne development, but also to realise its considerable economic benefits to the wider region, is critical to success. As such, Junction 10 is regarded as an integral part of the whole Welborne development scheme and not regarded as a discrete 'stand-alone' project.
39. It is proposed that the Council act as the promoter of the Junction 10 scheme until a development partner is appointed. Hampshire County Council and Highways England are supportive of this approach. The Council continues to be grateful to the Solent LEP for securing a Local Growth Deal allocation of £14.9m (which is currently being retained by the DfT) to contribute to the preparation and construction of an improved Junction

10, with the remainder of funding of circa £20m to be secured through developers S106 Agreement contributions.

40. The timing of the submission of the highways planning application will be linked directly to the timing of the submission of the application/s for the development of the Welborne site as a whole, which will be dependent upon the timing of the completion of outstanding work on master-planning including the preparation of a Structuring Plan, an Infrastructure Delivery Plan and a Phasing Plan.

TIMESCALES TO DELIVERY

41. As set out above, the process for selecting a development partner is expected to take approximately 12 months. One of the aims relating to the selection process will be to ensure that a planning application is made within a reasonably short period after the development partner is selected. The determination of a planning application of this scale is envisaged to take 6 months. In the event that it is considered that the Council will have to make a Compulsory Purchase Order in respect of land, planning permission will have to be in place or a scheme sufficiently advanced to justify the Compulsory Purchase Order. The Compulsory Purchase Order process from making the Order to the Secretary of State confirming the Order could take in the region of 12 to 18 months.
42. The three main elements to the Welborne project, selection of development partner, planning and compulsory purchase (if necessary), should not be considered as separate and distinct from each other as each are interrelated and processes will overlap where appropriate and feasible. A High-Level Programme Timeline for the Welborne project from Executive decision to start on site is set out in Appendix A.

REVIEW OF GOVERNANCE ARRANGEMENTS

43. Given the strong ambition of the Council to move rapidly from Welborne conceptualisation to hard delivery; it is also timely to undertake a full Governance Review to enable this critical transition. It is important to note that successful delivery of Welborne will be reliant on many key interested parties from across the public, private, and community and voluntary sectors working collaboratively for many years and, as such, it is critical that we have the most effective governance arrangements in place to facilitate this.
44. Critically, we will be seeking to develop a governance structure and collaborative ways of working that are fluid and dynamic in nature with a clear focus on action and delivery. To ensure that we get the governance right, we will be looking at best practice governance arrangements for large scale, place-making schemes from across the country and any lessons they have learnt. In addition, we will be seeking the thoughts and input from our key partners and their experiences elsewhere in this process. Ultimately, through our governance arrangements, we want all our partners to commit to not only championing Welborne but also to delivering it. Executive and / or Council approval to the outcome of the governance review will be sought as appropriate.

LEGAL IMPLICATIONS

45. The Council has the power to do anything necessary, (subject to any restriction or condition contained in any other enactment) to promote and secure the comprehensive development of the Welborne area in accordance with Section 1 of the Localism Act 2011 (the General Power of Competence), the Town and Country Planning Act 1990, the Local Government Act 1972 and a variety of ancillary and subordinate legislation relating to the functions of the Council.

Human Rights and Equalities

46. A comprehensive procurement process will be undertaken to secure the delivery of the development together with compliance with the appropriate statutory land acquisition and planning powers and duties. The process will be subject to compliance with the Equalities Act 2010 both in terms of accessibility to the procurement processes themselves and of the implementation and delivery of the Welborne Plan. Proposals will be thoroughly impact assessed at each stage of the development and compliance built into the obligations required of any development partner selected to deliver the proposals.
47. Article 1 of the First Protocol of the European Convention on Human Rights protects the peaceful enjoyment of possessions (including land). The Convention states that no one shall be deprived of their possessions except in the public interest and otherwise as provided for by law. The Compulsory Purchase process enshrined in UK legislation has been found to be Human Rights Act - and Convention - compliant where the powers are exercised reasonably and where necessary to secure the control and use of property in the public interest. It is considered necessary to secure the comprehensive redevelopment of the Welborne area in order to secure social, environmental and economic benefits for the wider community in the Fareham area that would not otherwise be possible by piecemeal acquisition and development, and to achieve delivery of the site within the timescales necessary to secure the delivery of comprehensive levels of affordable housing in the local area. Wherever possible, the Council will seek to acquire land by agreement or through the Council's development partner, however, the ability to compulsorily purchase land to secure development of Welborne remains a lawful and appropriate/necessary option in the circumstances.

Development Partner Selection Process

48. The selection of a preferred developer will be procured in accordance with all prevailing UK and EU public procurement law and the Council's own Constitutional requirements in this regard.

Compulsory Purchase Order – Making the Order

49. The making of a Compulsory Purchase Order is a function which the Executive may exercise.
50. Initial research points to the powers under Section 226 of the Town and Country Planning Act 1990 of most relevance in this case. This legislation enables a Local Authority to exercise its compulsory purchase powers:
 - i. if it considers that acquiring the land in question will facilitate the carrying out of development, redevelopment, or improvement on, or in relation to, the land being acquired (s.226(1)(a)); and
 - ii. provided that it considers that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of its area (s.226(1A)); and
 - iii. in respect of any land adjoining the primary land which is required for the purpose of executing works for facilitating its development or use (s.226(3))
51. The Council must therefore be satisfied on counts (i) and (ii) above when, and if, in due course it comes to make a resolution to make an Order.

52. The Executive is asked to consider in principle the justification for the use of a Compulsory Purchase Order and associated powers for the purpose of facilitating the comprehensive development in the Welborne area necessary to deliver the vision for Welborne and to secure the objectives of the Welborne Plan which overall will make a major positive contribution to the economic, social and environmental well-being of the Fareham area.

Compulsory Purchase Order – Confirmation of Order and Acquisition of the Land

53. If, following consideration of a further detailed report, the Executive resolves to make a Compulsory Purchase Order (CPO), the Order must be submitted to the Secretary of State for confirmation, notified to those persons affected by it and advertised in the local press.
54. Any party who wishes to object to the making of a CPO at that point would have 21 days within which to do so from the date of notification. All statutory objectors have a right to be heard at a Public Inquiry although it is possible for the Secretary of State to deal with objections in writing. Although any Inquiry will be held on the earliest possible date, typically this could be 6 months after submission of the Order to the Secretary of State.
55. The Council cannot exercise its compulsory purchase powers until such time as the Compulsory Purchase Order has been confirmed by the Secretary of State or the Secretary of State permits the Council itself to confirm the Compulsory Purchase Order.
56. Following confirmation of a Compulsory Purchase Order the Council has 3 years within which to exercise the CPO powers. Qualifying interest owners will be entitled to compensation, the quantum of which will be assessed in accordance with the compensation code – established by the relevant Acts of Parliament, Statutory Instruments and decided case law.
57. Once the interests included in the CPO have been acquired, the site will benefit from the operation of Section 237 of the Town and Country Planning Act 1990, which (subject to the payment of compensation) overrides all existing third party rights that could prevent the development or use of the land from proceeding. The costs of compensation will be limited to the statutory basis as provided by section 237 of the 1990 Act (as amended).

FINANCIAL IMPLICATIONS

58. There are significant financial and resourcing implications arising from the proposals in this report, and it will be appropriate to prepare a detailed programme of work and resourcing plan to take the process forward.
59. The initial estimate of the work suggests that the process could require revenue expenditure of between £1m-£2m, depending on the scale and extent of the work that is undertaken. These costs would comprise a range of programme management and technical expertise (for example around development feasibility and land valuation, legal, strategic communications, external funding, etc.) needed to progress the overall Welborne project, as well as the developer partner procurement and compulsory purchase activity.

60. It is, however, anticipated that the work programme will comprise a series of stages where the Council can decide whether to continue with its approach, or adapt it according to the circumstances at the time. These “gateways” are important safeguards, as they will allow the Council to mitigate the financial implications, if necessary.
61. In order to progress both the initial work outlined in the High-Level Programme Timeline (set out in Appendix A) and prepare a detailed programme of work and resourcing plan, initial funding of up to £100,000 will be necessary, and this will be met from the Council’s working balances reserve. Further expenditure will be subject to the Executive agreeing a detailed programme budget later this year, and it is anticipated that this would also be met from the working balances reserve.
62. The funding available within the Working Balance Reserve is up to £1.28m, and should this be fully used, further expenditure would need to be subject to the normal budget setting process for the Council.
63. In order to acquire the properties identified in the confidential Appendix B, capital expenditure of approximately £1.8million will need to be made available to be spent in the 2016/17 financial year. This will need to be funded through borrowing.
64. Should a subsequent resolution to proceed with a draft Compulsory Purchase Order be agreed by the Council then there will be expenditure incurred in the acquisition of the land and properties affected. This has yet to be fully valued but full financial details will be made available prior to making the Order, and in addition, the Council will secure an appropriate indemnity from its development partner to fully mitigate all costs arising.
65. Whilst the costs identified within this report are fully funded through internal resources, every effort will be made to secure external funding as part of the procurement of the development partner and through other external sources. This will enable internal resources to be protected where possible.

RISK ASSESSMENT

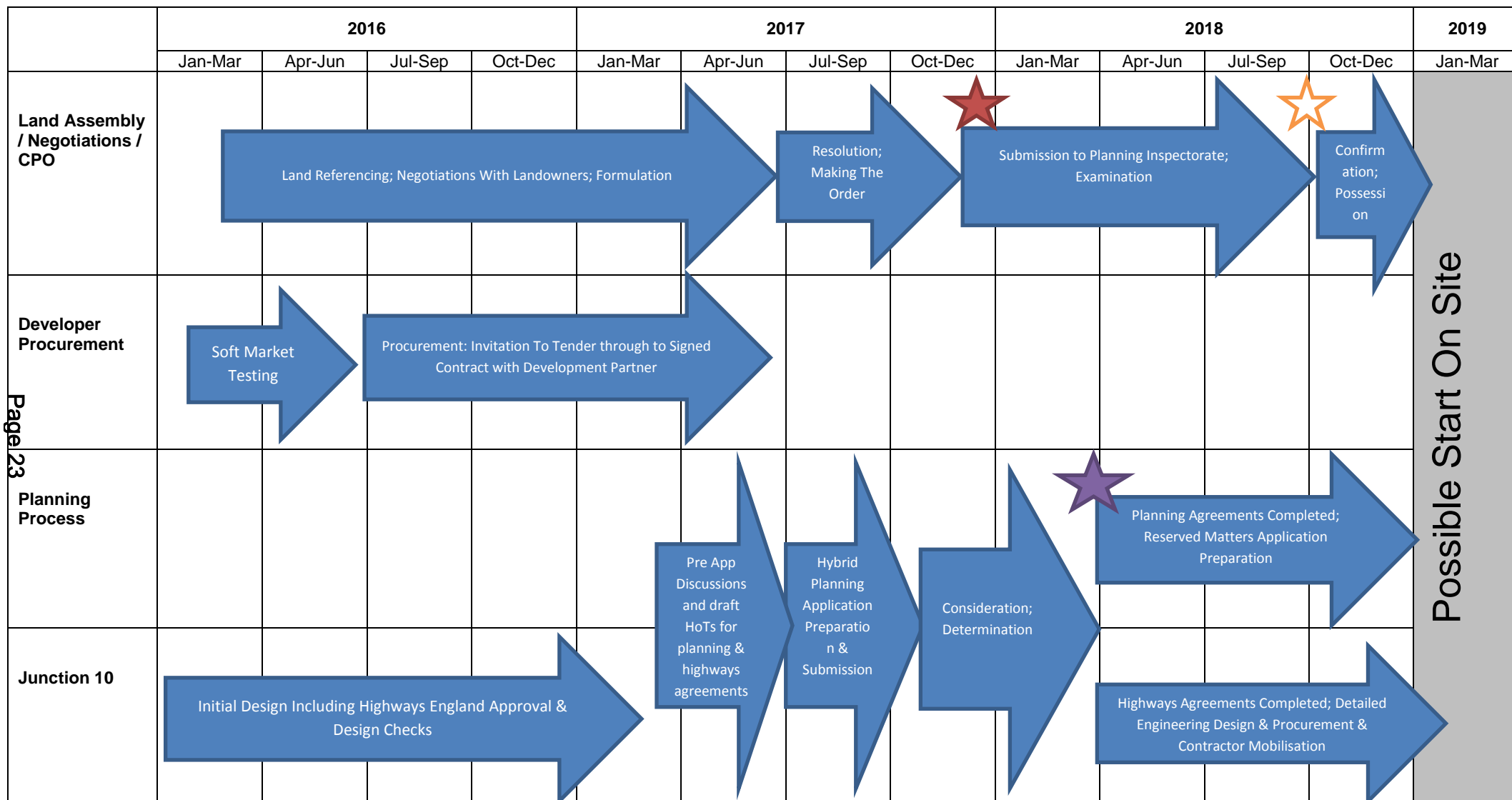
66. The potential strategic risks arising from the Compulsory Purchase Order process to accelerate delivery of the Welborne project, such as negative publicity, have been weighed against the reputational risks to the Council of being perceived as doing nothing which in turn could be regarded as a lack of Council leadership and / or ambition to the realisation of the Welborne vision.
67. Whilst in the short term, the let’s do nothing or let’s give everyone more time option might seem attractive, but in the long term it is a false economy. As such, Officers have plans in place to mitigate the potential strategic risks whilst also seeking to further demonstrate the Council’s ambition and commitment to Welborne.

CONCLUSION

68. It is recommended that the Executive approves the new development strategy to secure the comprehensive development of the Welborne area through a land acquisition and development partner approach. Approval will also send a clear signal of the Council’s over-riding ambition and commitment to the realisation of the Welborne vision to all interested parties including landowners, site promoters, developers, investors, service providers and the local community.

Enquiries: For further information on this report please contact Richard Jolley. (Ext 4388)

Welborne Project – Indicative High-Level Programme Timeline from Executive Report February 2016 to Start on Site



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Key For Potential Milestone Dates:



Possible confirmation of CPO



Submit CPO to Planning Inspectorate

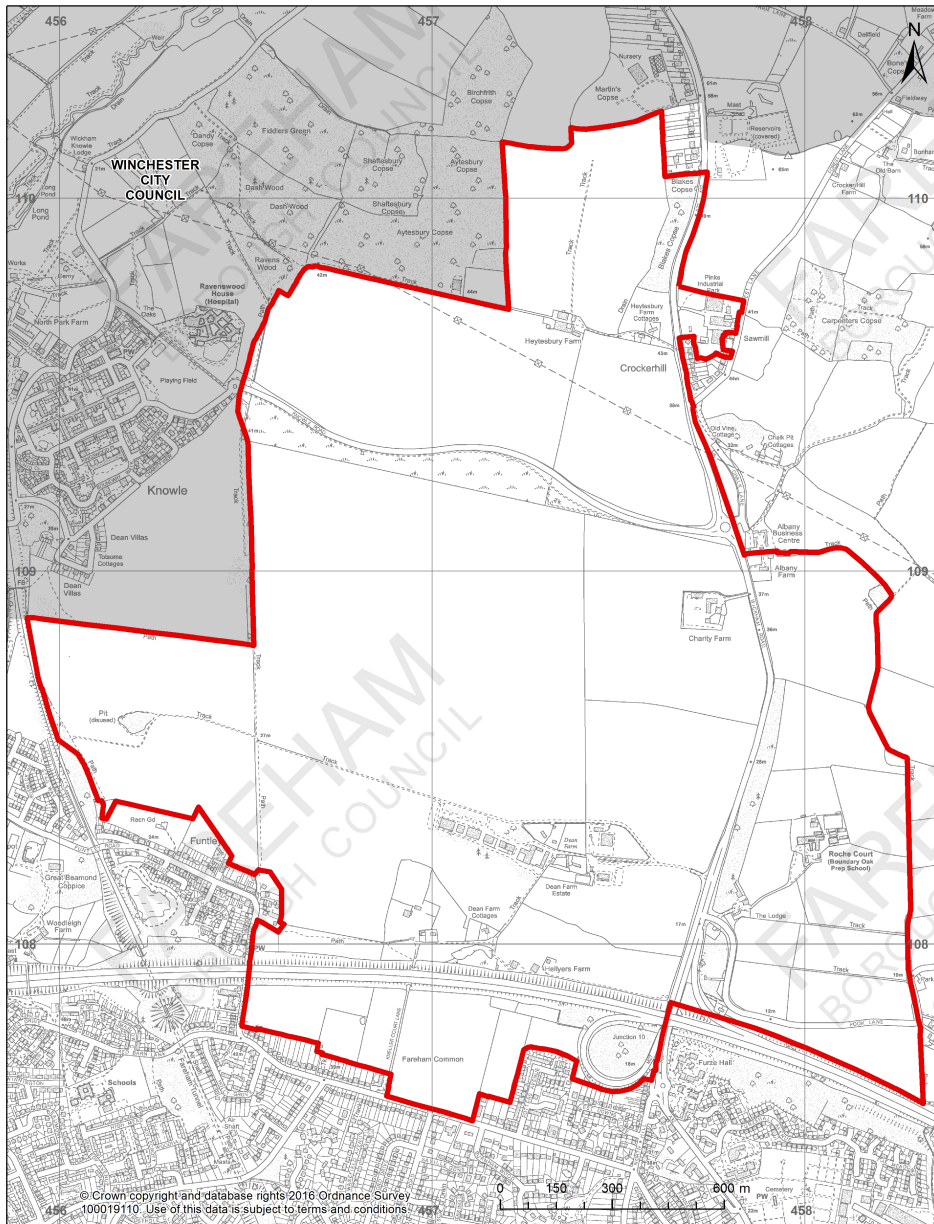


Resolution To Grant Planning Consent

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

APPENDIX C - WELBORNE POLICY BOUNDARY



LEGEND
 WELBORNE POLICY BOUNDARY (CS13, WEL1-4, WEL6-43)

FAREHAM
 BOROUGH COUNCIL

