

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 11 July 2016

Portfolio:	Planning and Development
Subject:	Delivery of Welborne: Detailed Programme, Costs and Interim Governance Review
Report of:	Director of Planning and Regulation
Strategy/Policy:	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 with a detailed programme of work and resourcing plan for the progression of the previously agreed Welborne Delivery Strategy. Additionally, the Executive is advised of proposals arising from an initial review of the existing governance arrangements relating to Welborne.

Executive summary:

In February 2016 the Executive approved a Welborne Delivery Strategy and requested that the Executive be subsequently provided with a detailed programme of work and resourcing plan. Officers are now able to update the Executive on these matters and therefore seek Executive approval to the expenditure for 2016/17 set out in Appendix A to the report. Indicative costs for the subsequent two years are also provided, together with an update on potential external funding streams.

In February 2016 the Executive also noted that proposals would be developed for new governance arrangements relating to Welborne in the light of the agreed Welborne Delivery Strategy. An initial review has now been taken and initial proposals to ensure effective community engagement on planning proposals relating to Welborne are now recommended.

Recommendation:

That the Executive:

- (a) notes the detailed programme of work and resourcing plan outlined for the progression of the Welborne Delivery Strategy;
- (b) approves the expenditure for 2016/17 as set out in Appendix A;
- (c) notes the revised community engagement arrangements outlined in paragraphs 16-18 of the Executive Briefing Paper;
- (d) recommends to Council to dissolve the Welborne Standing Conference; and
- (e) recommends to Council that Henry Cleary OBE be thanked for his work as Chairman and the other members also be thanked for their contribution to the work of the Conference over the past four years.

Reason:

The delivery of the development of the Welborne area is reliant on the investment of both internal and external resources without which there is a risk the adopted Welborne Plan will not be delivered in accordance with the Welborne Delivery Strategy.

Cost of proposals:

There are significant financial and resourcing implications arising from the Welborne Delivery Strategy approved in February 2016. The initial financial estimate of the work required was suggested at a revenue expenditure of between £1m-£2m over a period of 3 years. A more detail resourcing plan has now been prepared and is set out in Appendix A. Executive approval is sought for the funding required for the financial year 2016/17.

Appendices: **A:** Welborne delivery costs by work theme
 B: High Level Programme Timeline

Background papers: Confidential working papers.

Reference papers:

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Executive Briefing Paper

Date:	11 July 2016
Subject:	Delivery of Welborne: Detailed Programme, Costs and Interim Governance Review
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. On 22 February 2016 the Executive approved the Council's Welborne Delivery Strategy to deliver the vision for Welborne as a distinctive, diverse and well integrated new community. The Delivery Strategy outlined the critical actions and associated milestones for delivering the development of the Welborne area. The Executive was also appraised of the financial and resourcing implications arising from the proposals and were advised that a detailed programme of work and resourcing plan would subsequently be presented to the Executive.

FINANCIAL BACKGROUND

2. The initial estimation of costs for the progression of the Welborne Delivery Strategy suggested that the process could require revenue expenditure of between £1m and £2m over three years, dependent on the scale of the work undertaken. Initial funding of £100,000 was made available by the Executive in February 2016, pending the detailed resourcing plan.
3. The Resourcing Plan now prepared has identified total estimated costs for the Welborne Delivery Strategy for the next 12 months (April 2016 – March 2017) and these are detailed in Appendix A. Indicative costs for the following two financial years are also given.
4. It is envisaged that securing external funding via submitting and being awarded funding bids should assist in offsetting some of these programme costs. An Enabling and Development Support Funding Bid has recently been submitted to the Homes and Communities Agency - HCA (acting on behalf of the Department of Communities and Local Government) to assist with resources for the progression for the Welborne Delivery Strategy over the financial years 2016/17 and 2017/18, and the outcome is expected in the near future. Additionally, the Welborne project is being presented to the HCA as an applicant in their Garden Villages Initiative and if successful (12 locations nationally will be awarded the status) then further funding opportunities would arise.

5. Additionally, the Council would secure an appropriate indemnity from its development partner, prior to making any draft Compulsory Purchase Order, in order to mitigate any costs arising. It is envisaged that this would reduce the indicative costs shown in Appendix A for land assembly in financial years 2017/18 and 2018/19.

COUNCIL RESPONSIBILITIES

6. The development of Welborne has been at the heart of the Council's planning strategy (as set out in the Local Plan) for a number of years and therefore the onus on successful delivery is important. The Council has a responsibility to meet its obligations, including housing provision as set out in its Local Plan which the Welborne area is a part of.

PROGRAMME DELIVERY

7. The activities required to deliver the development of Welborne as agreed in the Delivery Strategy approved by the Executive in February 2016 and as set out in the High-Level Timeline (see Appendix B) have been divided into six work streams. This reflects the different tasks required to deliver Welborne and the requirement of different skills in order to deliver successfully. However, the inter-relationships and dependencies between the six work streams are critically important.
8. Addressing the six strands in a co-ordinated yet dynamic way will achieve a significant step change to ensuring delivery. The six work streams are as follows with an onus on viability focussed on throughout:
 - Programme Management: This theme provides the strategic co-ordination, governance and key interest engagement required whilst ensuring all the work streams deliver and work in a co-ordinated approach.
 - Delivery Partner: This theme covers all the activities that will ultimately secure a delivery partner(s) for the comprehensive development of Welborne.
 - Land Assembly: This theme covers all the activity that ultimately seek to secure all the land required to deliver Welborne.
 - Planning Process: This theme covers all the activities and processes needed to ensure the effective co-ordination of planning process needed.
 - M27: This theme considers the development of Junction 10 of the M27.
 - Funding and Economic Modelling: This theme covers the exploration and subsequent bidding for relevant funding opportunities and other initiatives that will contribute to delivering Welborne.
9. The Director of Planning and Regulation has established an Officer-level project team to ensure the Welborne Delivery Strategy agreed by Executive is progressed. Officers' are ensuring that the key activities for each work stream are undertaken and that any risks or barriers to the progression of the Strategy are identified and suitably addressed.

RESOURCES NEEDED TO DELIVER

10. The Welborne Delivery Strategy is reliant on a mixture of internal and external resources to ensure delivery of a viable scheme according to timescale.

11. Existing Council staff resources are being used to support the progression of the Welborne Delivery Strategy and in particular are leading on planning process and transport work, whilst also providing support on delivery partner, land assembly, funding and programme management.
12. Shared services arrangements with other local authorities to provide for the secondment of staff have now been put in place to provide additional staff capacity and, in particular, progress the following areas of work:
 - dedicated programme / project support to drive forward delivery;
 - securing a development partner, alongside dialogue with existing site promoter(s), including management of consultants;
 - assistance in the develop of a communications strategy and the preparation of relevant funding bids;
 - undertaking an economic modelling exercise for the entire project;
 - legal advice on planning and procurement processes, including management of consultants.
13. External consultants have also been procured to provide specialist advice as follows:
 - External legal – undertaking specific works relating to a delivery options appraisal, development partner agreements, the procurement process and agreements relating to items such as planning and Section 106.
 - Property surveyors – undertaking a review of the Infrastructure Delivery Plan, advising on the viability of the delivery of Welborne, leading on ‘soft market testing’, assisting the Authority to be placed to procure a delivery partner to implement and deliver the scheme.
 - Freelance consultants – providing specific support and additional capacity on the land assembly and transport work streams.

GOVERNANCE ARRANGEMENTS

14. As outlined in the report to the Executive in February 2016, the approval of the Welborne Delivery Strategy necessitates a full Governance Review to ensure that arrangements support the project going forward. This Review has started but it is considered premature to bring forward detailed and comprehensive proposals for future governance arrangements at this time, pending the Council's selection of a development partner.
15. However, the initial Review undertaken has identified the need to address the arrangements for community engagement on the Welborne project. To date community engagement has focused on the Welborne Standing Conference which has formed part of the governance arrangements for Welborne since 2012. The independently-chaired Standing Conference, which meets three times per year, has made a significant positive contribution over this period. In particular, it has been successful in ensuring that local community, interest and resident groups, potentially affected by the proposals, were fully aware of the emerging Plan proposals and the process for examination and adoption.

16. Following approval of the Welborne Delivery Strategy, two related but separate strands of community engagement are considered necessary.
17. Firstly, it is considered important that the local community is provided with timely updates of any key decisions, agreements or initiatives related to the delivery of Welborne. A Communications Plan is being prepared to ensure that from Autumn 2016 onwards to ensure that a programme of communications activity and material can be delivered to engage and inform all local community interest and residents' groups.
18. Secondly, it is important that the local community has the full opportunity to respond to any planning applications relating to Welborne as they are progressed. The Council as a Local Planning Authority will expect any applicants (whether forthcoming from the Council's delivery partner or the existing site promoter) to undertake extensive pre-application consultation with the local community, but in any event would hold special Community Action Team meetings when applications are submitted in order to raise awareness of the proposals.
19. It is therefore considered that the role of the Standing Conference has come to an end at this time, and the Executive is therefore requested to recommend to Council that the Conference be dissolved in the light of the new community engagement arrangements outlined above.

FINANCIAL IMPLICATIONS

20. There are significant financial and resourcing implications linked to the progression of the Welborne Delivery Strategy.
21. The full three year work programme includes a series of 'financial decision gateways' where the Council will be given the opportunity to assess its position and decide to continue or adapt its approach to allow the mitigation of the financial implications. In the current financial year the identifiable decision gateway will be at the time of commencing the procurement process.
22. The progression of the initial works as outlined in the High- Level Programme Timeline as presented to the Executive in February 2016 was cost at £100,000 which was to be met from the Council's working balances reserve. The further expenditure necessary as outlined in this paper is envisaged to be met from the working balances reserve.

RISK ASSESSMENT

23. This is a significant project and as such there are a number of risks associated with the plans, decisions and delivery of the Welborne Plan. The key risk at the moment to the delivery of Welborne is the current site promoter(s)' limited control of land in the Welborne area which inhibits comprehensive development, and as delays occur we increase our risk of hostile planning applications being received for sites not in accordance with the Local Plan.
24. This risk is being mitigated by implementation of the Welborne Delivery Strategy which involves securing a delivery partner to deliver a comprehensive development (in accordance with the Welborne Plan), in conjunction with using the Council's Compulsory Purchase Order powers to acquire land if this proves necessary.
25. There are additional risks and costs involved in progressing the Council's Delivery Strategy and a risk analysis with identified actions is being maintained to support the programme of work. However, by pursuing the Welborne Delivery Strategy the Council

is taking actions which are considered to significantly improve the prospects of early delivery of Welborne.

CONCLUSION

26. It is recommended that the Executive approve the expenditure outlined to support the Welborne Delivery Strategy and secure the timely comprehensive development of the Welborne area, utilising the mixture of internal and externally procured resources to deliver the agreed programme.

Enquiries:

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