

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 March 2017

Portfolio:	Planning and Development
Subject:	Welborne Delivery Strategy: Progress update and Projected 2017/18 Costs
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:

The purpose of this report is to consider the progression of the Welborne Delivery Strategy to date and approve the future resourcing commitments for 2017/18. Additionally, the report is seeking Member endorsement of key corporate priorities that will be reflected in its future approach to procurement of a delivery partner.

Executive summary:

The report outlines the progression to date made against the Welborne Delivery Strategy and sets out the necessary future work to progress the strategy with an updated indicative high level timeline as set out in Appendix A.

Following a preliminary review, the report outlines the possible initial corporate priorities the Authority is looking to realise for the benefit of the community of Welborne that could be suitably reflected in the approach to procuring a delivery partner.

The report provides information on the projected outturn of spend on the progression of the Welborne Delivery Strategy for 2016/17 and seeks Executive approval to the expenditure for 2017/18 set out in Appendix B to the report.

Recommendation:

That the Executive:

- (a) notes the progression of the Welborne Delivery Strategy;
- (b) notes the further work to be undertaken and revised indicative High Level Timeline set out in Appendix A;
- (c) endorses the Fareham Borough Council corporate priorities relating to the delivery of Welborne, as set out in paragraph six of this report; and
- (d) approves the expenditure for 2017/18 as set out in Appendix B;

Reason:

The comprehensive 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 that it will not be delivered in accordance with the adopted Welborne Plan.

Cost of proposals:

There are significant financial and resourcing implications arising from the Welborne Delivery Strategy approved in February 2016. An updated resourcing plan is set out in Appendix B. The cost will be met from the general fund reserve less any external funding awarded.

Appendices: **A:** Revised High Level Indicative Timeline
 B: Welborne Delivery Strategy costs

Background papers: None

Reference papers: None

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Executive Briefing Paper

Date:	06 March 2017
Subject:	Welborne Delivery Strategy: Progress Update and Projected 2017/18 Costs
Briefing by:	Director of Planning and Regulation
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 Welborne Delivery Strategy outlined the critical actions and associated milestones for delivering the development of the Welborne area. The Executive was presented with a detailed programme of work and resourcing plan in July 2016. Financial and programme updates would be presented to the Executive on a regular basis.

WELBORNE DELIVERY STRATEGY – PROGRESS TO DATE

2. 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.
3. The progression of the Welborne Delivery Strategy has focussed on the two principal issues, namely acquiring a delivery partner and assembling the necessary land. An update on progress to date is set out below.
 - Securing a delivery partner for the development of Welborne.
 - 'Soft market testing' took place in April/May 2016 to test the development industry's appetite/capability for delivering the project and to help refine the Council's procurement approach;
 - Formal procurement process commenced - the Council published a Prior Information Notice to the market on the 9th January informing of the Council's intention to start the formal tender process to identify the right delivery partner for Welborne. The Selection Questionnaire is scheduled to be issued by the end of March 2017. The aim is to select a delivery partner by the end of 2017;

- Early discussions are taking place with the market on the best approach to deliver Welborne. The Council is seeking to appoint a delivery partner who shares its vision for Welborne and has a demonstrable track record in delivering the place-making and infrastructure required to realise Welborne.
- In preparation for the formal procurement process, and to ensure that prospective development partners can be provided with timely and helpful information during the procurement exercise, a full land referencing exercise for the entire Welborne site is being undertaken.
- Secure all the land required to deliver Welborne comprehensively.
 - Dialogue with existing principal and minority landowners has taken place and will continue to do so on a regular basis to assist in maintaining positive relationships between them and the Council as the Welborne Delivery Strategy progresses.
 - To date, Fareham Borough Council has acquired two of the three identified residential properties within the Welborne Plan area (as approved at the February 2016 Executive meeting). The Executive agreed the terms for the purchase of the third identified residential property in February 2017.

WELBORNE DELIVERY STRATEGY – FUTURE WORK

4. To progress the Welborne Delivery Strategy the indicative High Level Timeline has been revised as set out in Appendix A, to reflect the formal Delivery Partner procurement timeframes as detailed below in correlation with actions completed and that are planned to be undertaken, as necessary, to comprehensively deliver the Welborne Plan.

Procurement of Delivery Partner

Milestone Date	Task
March 2017	Issue Selection Questionnaire on South East Business Portal and the EU's Official Journal (Tenders Europe Daily)
May 2017	Issue Invitation to Submit Outline Solutions (ISOS)
August 2017	Issue Invitation to Submit Detailed Solutions (ISDS)
October 2017	Issue Invitation to Submit Final Tender (ISFT)
December 2017	Select Preferred Bidder
January 2018	Contract Award

5. To progress the formal procurement of a delivery partner, in addition to preparing for each of the above stages in the timetable, other activities will have to take place including:
 - Undertake a Property Cost Estimate exercise – this will provide the information establishing the costs of acquiring land and properties within the Welborne boundary in preparation for making and pursuing a Compulsory Purchase Order, if necessary.
 - Infrastructure - it is important to consider all the necessary infrastructure requirements of the Welborne project including the development of an all moves Junction 10 of the M27.

Welborne Corporate Priorities

6. Some preliminary work has been undertaken to establish the possible areas of corporate priority for the Council in the delivery of Welborne over the long term. Specific consideration has been given to those areas that are unlikely to be secured through planning processes alone. This early review has identified four corporate priority areas over the long term when considering the authority's future involvement in Welborne. These will be suitably reflected in the procurement process if the Executive agrees to the Council's commitment to further exploratory work and pursuance of these. The four Welborne corporate priorities for consideration are:
- Green Infrastructure Management (green space/civic space) - delivery and maintenance of the green space infrastructure within the Welborne development and associated long-term management models;
 - Community Infrastructure Management - delivery and maintenance of the community infrastructure within the Welborne development and associated long-term management models;
 - Employment - consideration of the Council's role in maximising the economic value of the development and realising the wider benefits, including opportunities for direct involvement, e.g. in the provision of innovation or incubation space;
 - Housing – consideration of the housing role of the development in meeting community needs through a blend of housing products, including opportunities for direct involvement, e.g. through the Council's joint venture housing company – Aspect.

Land Assembly

7. With respect to Land Assembly, whilst the three identified residential properties have been purchased or had purchase terms agreed, continued interest in the assembly of land in the Welborne area is necessary to ensure delivery of the Welborne Plan. Continued dialogue with principal and minority landowners will therefore take place, and the Executive will be advised of any further acquisitions the Council may wish to undertake in the Welborne area.

OTHER RELEVANT UPDATES

8. **Garden Village Status:** The Welborne project was successfully awarded Garden Village status. The announcement was made in early January 2017 by the Government's Homes & Communities Agency (HCA) that Welborne will become one of fourteen Garden Villages in the country. Welborne will be part of the Government's landmark initiative to support the delivery of new communities comprising between 1,500 and 10,000 homes and based on garden city principles. These will ensure that the real and important benefits that people rightly expect are secured from the outset - quality design with cutting-edge technology, local employment opportunities, accessible green space near homes, high quality public realm.
9. **Governance:** An initial governance review took place in Spring 2016 and recommendations implemented. As agreed by the Executive in July 2016 the Welborne Standing Conference has been disbanded and future mechanisms will be put in place as required to include and involve interested parties.

10. **Communications:** A dedicated website was launched in early January 2017 to inform people and provide regular updates on the progression of the project, providing an opportunity for questions to be raised; this has been set up at www.welbornegardenvillage.org.uk. Information and regular updates on the progression of Welborne will continue to be available via various communication channels.
11. **Planning advice:** Provision of planning advice to site promoters has taken place. An application is expected to be submitted to the Council shortly from Buckland Development. Pre-application advice will continue to be provided to site promoters as they come forward with plans to develop Welborne.
12. **Funding:** Exploration and subsequent bidding for relevant funding opportunities and other initiatives that will contribute to delivering Welborne will be sought.

FINANCIAL BACKGROUND

13. 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. A 2016/17 budget of £531,600 was agreed in July 2016 and it is anticipated that the projected outturn will be around £447,000 (£84,600 under budget).
14. The Resourcing Plan now prepared has identified total estimated costs for the Welborne Delivery Strategy for the next 12 months (April 2017–March 2018) and these are detailed in Appendix B separated into Welborne Delivery Strategy and other Welborne activity. The agreed strategy to secure a Delivery Partner and assemble the necessary land required for Welborne is reliant on a mixture of internal and external resources to ensure delivery of a viable scheme.
15. It is envisaged that securing external funding via submitting and being awarded funding bids should assist in offsetting some of these programme costs. The Welborne project was a successful applicant in the HCA Garden Villages Initiative and in addition to the status awarded in early January 2017; an approximate £200,000 of capacity funding should be made available to the Council. Further funding opportunities and capacity funding should arise.
16. A separate Enabling and Development Support Funding Bid was also 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 remainder of 2016/17 and 2017/18, and the outcome is still awaited.
17. Additionally, the Council would secure an appropriate indemnity from its delivery partner, prior to making any draft Compulsory Purchase Order, in order to mitigate any costs arising from the progression of the Order and its implementation.
18. The expenditure outlined in this paper is envisaged to be met from the Council's general fund reserve. If the pending and/or future bids for external income are successful, this will reduce the call on this reserve.

19. Existing Council staff resources are being used to support the progression of both the Welborne Delivery Strategy and other Welborne-related activity such as strategic direction, communications, funding applications and the progression of the identified corporate priority. However, other arrangements have been put in place to provide additional staff capacity on these two strands of work as necessary.
20. Additionally, external consultancy support has been procured to provide specialist advice and support focussed on progression of the Welborne Delivery Strategy including:
 - Legal – procurement advice;
 - Property valuation;
 - Market dialogue;
 - Property/Land Acquisition.

RISK ASSESSMENT

21. 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 remains that the current site promoter(s) have limited control of land in the Welborne area which inhibits comprehensive development. As delays continue the risk of hostile planning applications being received for sites not in accordance with the Local Plan are increasing.
22. This risk is being mitigated by the implementation of the Welborne Delivery Strategy to secure a delivery partner to achieve 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.
23. Additional risks involved in progressing the Council's Welborne Delivery Strategy have been identified. These are continually being managed to ensure they are mitigated, and kept under review.
24. 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 and demonstrates the Council's ambition and commitment to Welborne.
25. The potential strategic risks associated with the delivery of the Welborne Delivery strategy are continually being managed to ensure they are mitigated.

CONCLUSION

26. It is recommended that the Executive notes the detailed programme of work and update for the progression of the Welborne Delivery Strategy; endorses the Fareham Borough Council corporate priorities for Welborne, and approves the expenditure for 2017/18 as set out in Appendix B to deliver the agreed programme.

Enquiries:

For further information on this report please contact Richard Jolley, Director of Planning and Regulation, (Ext 4388).