

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 18 March 2024

Portfolio:	Policy and Resources
Subject:	Fareham Town Centre Regeneration Strategy and Action Plan - Options
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Provides Housing Choices Promote Economic Development

Purpose:

To consider the outcome of the optioneering report for Fareham Town Centre regeneration, and to agree the proposed shortlist for further, detailed assessment for inclusion within the Regeneration Strategy and Action Plan.

Executive summary:

The Council has a strong ambition to reverse the decline of Fareham Town Centre through regeneration, recognising the wider placemaking, economic regeneration and health benefits a more successful town centre would bring.

Fareham's town centre has a key role in supporting the economy of the Borough. It is the highest-ranking destination in the Council's retail hierarchy and as such, is the main location for retail, leisure, entertainment, and cultural activities for the Borough's residents.

Work has already begun to deliver the Council's significant regeneration ambition with the construction of Fareham Live, the demolition and replacement of Osborn Road multi storey car park, alongside the purchase of Fareham Shopping Centre in September 2023.

The Council has appointed an asset manager to manage the Shopping Centre, alongside regeneration consultants to develop a deliverable and realistic Regeneration Strategy and Action Plan. Stage 1 of this work was reported to the Executive in January 2024.

Stage 2 work has now been completed. After both a programme of engagement and detailed analysis by the technical teams, a short list of potential options has been developed to take forward for further detailed consideration as part of Stage 3. This

work is provided at Appendix A 'The Fareham Town Centre Regeneration Strategy and Action Plan Optioneering Report'.

Recommendation:

It is recommended that the Executive agrees the Optioneering Report and the shortlisted interventions set out in Appendix A to continue through to detailed evaluation.

Reason:

To produce a Fareham Town Centre Regeneration Strategy and Action Plan in line with the Corporate Strategy and to inform the next steps for the Council following the acquisition of Fareham Shopping Centre.

To attract investment, guide new development and public spaces, and ensure that the town centre meets changing needs.

To facilitate the delivery of transformational regeneration opportunities within Fareham Town Centre, and to create a sustainable long-term future with a mix of complementary uses, benefiting both residents and businesses of the Borough.

Cost of proposals:

The cost of the specialist consultant advice for the next stage of detailed evaluation is funded from existing budgets or earmarked provisions. This would include strategic advice, master-planning, communications, engagement, quantity surveyor services and commercial and residential market advice.

Appendices:	Appendix A: Fareham Town Centre Regeneration Strategy and Action Plan Optioneering Report
Reference papers:	08 January 2024 Executive report on Fareham Town Centre Regeneration Corporate Strategy 2023-2029 Planning for the Future of Fareham Town Centre – Vision (2017) Fareham Local Plan 2037 (April 2023) Policy BL1 – Broad Location for Housing Position Statement (Feb 2022)
Background papers:	Initial Engagement Summary Report, Redwood Consulting December 2023 SWOT analysis, “Four Pillars” of the Strategy and the Strategic Objectives, Rivington Hark December 2023

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Executive Briefing Paper

Date:	18 March 2024
Subject:	Fareham Town Centre Regeneration Strategy and Action Plan - Options
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION

1. Fareham's town centre has a key role in supporting the economy of the Borough. It is the highest-ranking destination in the Council's retail hierarchy and as such, is the main location for retail, leisure, entertainment, and cultural activities for the Borough's residents.
2. At the heart of the town centre is Fareham Shopping Centre (FSC), a covered shopping facility originally built in phases predominately between 1975 and 1981 but with later additions, and the associated multi-storey car park.
3. The town centre extends in all directions from this to include West Street with an array of independent shops and eateries and the historic High Street with mainly office and residential uses. To the south is Market Quay which includes the Fareham police station, a cinema, various restaurants, and the most used car park in the town. To the north is the library, a health centre, a range of car parks, and the Civic Quarter comprising the Civic Offices and gardens as well as the new entertainment destination of Fareham Live.
4. This report provides an overview of the regeneration needs of the town centre and the Council's existing strategy, vision and policy framework. It sets out a summary of the work undertaken to develop the Fareham Town Centre Regeneration Strategy and Action Plan, and then sets out the next steps in this project through to adoption in summer 2024.

POLICY CONTEXT

Fareham Town Centre Vision 2017

5. The Council has recognised for some time that it is important to address key issues within Fareham Town Centre. In 2017 the Council produced a Fareham Town Centre Vision called 'Planning the Future of Fareham Town Centre'. This reflected the commitments in the 2017-2023 Corporate Strategy and recognised the positive aspects of the town centre but identified ways that it could be improved. The 2017

Vision set out the Council's ambitions to address these issues, commencing with work in the Civic Quarter, focussing on Ferneham Hall and the Osborn Road multi storey car park.

6. In addition to these key projects, the Vision identified priorities across the wider town centre, which include encouraging the growth of the evening economy, the provision of new homes and improved pedestrian linkages throughout the town centre. The Vision seeks to build upon the existing strengths of the town centre, to create a destination for retail, culture, leisure and living.

Planning Framework

7. The commitment outlined in the Fareham Town Centre Vision and the Corporate Strategy is reflected in the Fareham Local Plan 2037 (adopted April 2023) which includes within its Vision and Strategic Priorities the following:

Fareham Town Centre and other retail areas will be retained and regeneration opportunities that support the town and district centres will be encouraged, whilst making efficient use of any developable land in these locations.

8. To achieve these aspirations, the Local Plan 2037 includes Policy BL1 'Broad Location for Housing Growth', which identifies that through the '*comprehensive mixed-use redevelopment of the area, including a consolidated, varied, and integrated retail and leisure offer*'. In addition, the policy sets out that such redevelopment would also deliver improved accessibility and public realm in the town.

Corporate Strategy

9. Both the current and former Corporate Strategies included clear commitments to the regeneration of Fareham Town Centre, recognising the town centre's importance in ensuring local economic growth by making the rejuvenation of the centre into a vibrant, attractive environment a priority. The 2017-2023 strategy committed to the commencement of regeneration of the town centre, which the Council have progressed in line with the Town Centre Vision (above).
10. The recently adopted Corporate Strategy 2023-2029 takes this further, with the commitment to produce a renewed Fareham Town Centre Regeneration Vision and masterplan to ensure that the town centre would meet changing future needs by attracting investment and guiding development. This is a key project in the Council's economic development priorities.

NEED FOR REGENERATION

11. Fareham Town Centre plays an important role in the retail hierarchy, providing a range of shops and facilities, including a good range of convenience shopping, such as Tesco and Aldi, as well as cafés and restaurants, and several beauty and wellness service providers.

12. However, over the last 20 years there has been a significant structural change in retailing and consumer behaviour driven by the growth in internet retailing. Fareham Town Centre, and in particular FSC, has seen significant decline over the last 5 years. This change was accelerated by the global pandemic with internet sales subsequently stabilising at around 30% of all sales and with footfall nationally returning to an average of 90% below pre-pandemic levels.
13. National retail brands, particularly fashion retailers, are consolidating representation to the major centres, shrinking their portfolios, and leaving smaller centres. This trend is highly evident in Fareham, with the loss of retailers such as Accessorise, Dorothy Perkins, Thomas Cook, TUI and M & Co, some of which are now predominantly online retailers, with little or no high street presence. The overall vacancy rate in the town centre has been increasing annually and the vacancy rate in the town centre is now higher than the national average (15% across the town centre as a whole in June 2023).
14. West Street has experienced an increase in vacant units, but the vacancy rate has remained below the national average. The 2023 Town Centre Retail Health Check recorded a vacancy rate of approximately 9 % of units. Generally, West Street has a high-quality public realm which benefited from significant investment in the mid-2000's to 2017 and is performing strongly.
15. However, FSC has considerably higher vacancy rates, currently approximately 33%. This figure includes the most recent closure of the Body Shop, as a result of the company entering into administration.
16. It also divides the town, separating the pedestrian shopping area from the Civic Quarter and residential areas beyond. Like most indoor shopping centres, it has fixed times for opening and closing which is of particular concern at night when the centre is closed and the access between the Civic Quarter and West Street bars and restaurants is restricted to narrow alleyways.
17. Such poor connectivity impacts on the potential of Fareham's night-time economy, which the Council is seeking to improve. This is also particularly important to support the future visitor attendance of Fareham Live.
18. The design of FSC provides little daylight penetration into the arcades and in its current form, there are limited redevelopment opportunities available due to extensive rooftop servicing and with FSC approaching 50 years of operation, there are a number of ongoing maintenance requirements for the fabric of the building. Being of dated design, the centre does not provide a particularly attractive or appealing shopping destination.
19. However, the FSC lies at the heart of the town centre and forms a key part of the adopted Local Plan allocation (Policy BL1) with significant potential to positively influence regeneration proposals for the town centre as a whole. It is in a prime location and spatially central to the strategic plans for future placemaking.

20. The Fareham Borough Council Position Statement on Policy BL1, produced and published to support the allocation through the recent Local Plan examination, along with commercial advice received as part of the due diligence process advises that a carefully managed loss of retail floorspace may be justifiable within the wider town centre.
21. The Council has a strong ambition to reverse the decline of Fareham Town Centre through regeneration, recognising the wider placemaking, economic regeneration and health benefits that could potentially be delivered. This could include improved leisure offer, alongside a wider array of food and beverage with entertainment facilities, new homes and improved parking provision as well as a reconsideration of the scale and function of the retail offer.

PROGRESS TO DATE

22. Work has already begun to deliver the Council's significant regeneration ambition for the town centre. Construction of Fareham Live, the exciting new arts and entertainment venue, is underway and due to open in mid-2024. Trafalgar Theatres have been appointed as the operator for the new venue.
23. Work to demolish the existing decaying multi-storey car park at Osborn Road is almost complete. This will be replaced with a new surface car park providing 138 car parking spaces. Additionally, Ferneham Hall and Ferneham Hall (Clinic) car parks are being reconfigured to provide high quality parking spaces with 24 and 31 spaces respectively. Combined these three car parks will provide a total of 193 spaces with 26 accessible and 8 EV charging parking spaces.
24. The Council acquired FSC in September 2023 to enable the wider regeneration of the town centre, by consolidating the land holdings under a single ownership. This is in line with the Council's Vision and Corporate Strategy.
25. Since the purchase of the Centre, our Asset Managers have been focused on asset stabilisation and seeking to drive the Centre forward, in conjunction with the Regeneration Team delivering town centre regeneration work.
26. Ongoing work to proactively manage FSC so far includes:
- An expenditure review to ensure spend is necessary and effective;
 - Lease management with seven tenants renewing leases, two new lettings and three new lettings in negotiation;
 - Engaging with current large space occupiers to understand their commitment and space requirements going forward;
 - Proactively engaging with operators for meanwhile use such as artwork studios, soft play and indoor markets;
 - Working with the Regeneration Team to develop a link from Fareham Live to West Street;
 - Analysing the shopping centre metrics for the Regeneration Team and providing strategic ideas on the way forward; and
 - Facilitating a 'Fareham at 50' large scale artwork installation in the Centre.

27. Additionally, the Council's Housing Service has exchanged contracts to purchase the Birks Building (also known as Foresters Hall) on West Street for housing purposes.
28. Hampshire Cultural Trust, as the operators of Westbury Manor Museum, have advised that the Museum will be closing in December 2024. Council officers are working closely with the regeneration consultants to consider future options for this important building within the town centre.
29. Regeneration, Asset Management, Housing, Planning, Parking and Leisure & Community Services are working closely together on all town centre projects to ensure a cohesive approach to delivery.

REGENERATION STRATEGY AND ACTION PLAN

Stage 1

30. Following the acquisition of FSC, the Council moved quickly to secure the necessary skills and capacity to both manage the centre and develop a deliverable and realistic Regeneration Strategy and Action Plan.
31. In January of 2024, a stage one report was presented to the Executive which provided a summary of work undertaken since the purchase and a programme for the development of the Regeneration Strategy and Action Plan. This was accompanied by an 'Initial Engagement Summary Report' and a "Four Pillars" of the Strategy and the Strategic Objectives to guide future work.
32. For ease, the four pillars and five strategic objectives are re-provided below:

Pillars

- Pride: Grow Pride in our Town
- Purpose: Create new sense of purpose for our town
- Perception: Improve perceptions of our town
- Personality: Restore our town's identity

Objectives

- Address connectivity issues
- Make the most of Fareham's inherent qualities
- Consolidate retail and introduce new vibrant uses
- Make the Town Centre more attractive
- Create unique selling points

STAGE 2

33. Following on from this initial work, further consultation and engagement was undertaken around the kind of meanwhile and leisure uses people would want to see in the town centre.

34. Between Wednesday 31 January and Thursday 15 February feedback was gathered from Council Officers with two focused workshops, an interactive ideas noticeboard, and a brief on-line questionnaire on favourite independent shops and eateries.
35. Resident engagement was held over half term week (February 10 to 14) via two events, one in the Ping Pong Parlour in FSC for school-aged children and young people, and the second designed to engage younger children and their parents who were invited to contribute through a colouring-in activity. A further 200+ people were engaged during these Stage Two events.
36. The consultant team analysed ideas from Stage 1 and Stage 2 combined with their broader regeneration experience to develop a long list of options for interventions. These interventions range from immediate and short-term ideas through to potential redevelopment options. The Fareham Town Centre Regeneration and Action Plan Optioneering Report at Appendix A provides full details of the long list, alongside an assessment of each proposed intervention against a defined set of criteria.
37. The assessment metrics include time, cost, impact, and deliverability/complexity alongside the five Strategic Objectives to deliver schemes which will best fit the Council's overall town centre regeneration plan.
38. Using this approach, the interventions have been narrowed down to a shorter list for more detailed consideration as part of Stage 3.

NEXT STEPS

39. Stage 3 will progress from mid-March 2024 through to mid-June 2024, with a Regeneration Strategy and Action Plan to be agreed by the Executive in July 2024.
40. A more detailed evaluation of the short-listed options from Stage 2 will be undertaken and will consider which are the most appropriate to take forward into the final Regeneration Strategy and Action Plan.
41. Where the intervention proposed has a commercial value (redevelopment opportunities for example), the work will include a high-level feasibility and delivery strategy and will also consider possible delivery risks as well as likely capital investment. Where the intervention is based more in 'placemaking' and improvements to the public realm, concept, design and cost of delivery will all be developed and considered.
42. Engagement with landowners, businesses and residents as well as key public sector bodies will be undertaken on the worked-up interventions to seek views on preferences and priorities.
43. The interventions will all be assessed and considered against the five strategic objectives and four pillars from Stage 1 alongside technical metrics. This will provide a final range of interventions to include in the Strategy and Action Plan. It is not anticipated that all the interventions shortlisted at Stage 2 would be included in the final document. Part of Stage 3 will be to identify the interventions that would deliver the

most effective and deliverable change for the town centre. These will then form the core of the regeneration programme.

Funding

44. Initial funding has been agreed to prepare the Regeneration Strategy and Action Plan. A high-level funding request for the delivery of the agreed interventions will be included at the next stage of reporting.
45. This will be developed as part of the more detailed evaluation of the short-listed options and will be done in conjunction with both internal officers and the Members Working Group.

Governance

46. Currently governance and oversight are provided by the Fareham Town Centre Regeneration Member Working Group.
47. The Member Working Group has a remit to oversee specific elements of development and delivery the Fareham Town Centre Regeneration Strategy and Action Plan.
48. Once the Regeneration Strategy and Action Plan has been adopted and moved to delivery phase a more extensive governance structure may be required. This will be considered as part of Stage 3, with proposals included at the next stage of reporting.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

49. No carbon impacts are anticipated as a direct result of the publication of the Regeneration Strategy and Action Plan for Fareham Town Centre, although the environment and carbon reduction will be key considerations within the strategy.
50. Individual work streams and interventions will be subject to assessment as they are brought forward for delivery.

SUMMARY AND CONCLUSIONS

51. Rapid progress has been made on the Corporate Priority to develop a Regeneration Strategy and Action Plan for Fareham Town Centre since the acquisition of FSC in September 2023.
52. The short list of options contained within the Optioneering Report has been developed through significant engagement with a range of residents, officers, members and businesses, alongside detailed technical analysis by our regeneration consultants.
53. The next stage will see further technical assessment, engagement and consultation to refine the options into a deliverable programme of works with the Regeneration Strategy and Action Plan.

Enquiries:

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