

FAREHAM

BOROUGH COUNCIL

AGENDA FOR THE EXECUTIVE

Date: Monday, 9 August 2021

Time: 6.00 pm

Venue: Council Chamber - Civic Offices

Executive Members:

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

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

Councillor I Bastable, Streetscene

Councillor F Birkett, Housing

Councillor S D Martin, Planning and Development

Councillor Mrs S M Walker, Leisure and Community

1. Apologies for Absence

2. Minutes (Pages 5 - 10)

To confirm as a correct record the minutes of the meeting of the Executive held on 05 July 2021.

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. References from Other Committees

To receive any references 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. Health and Public Protection

Key Decision

(1) Draft Agreement with English Heritage regarding charging at the Council's Portchester Castle car parks (Pages 11 - 32)

A report by the Director of Leisure and Community.

9. Policy and Resources

Key Decision

(1) Welborne Garden Village Housing Infrastructure Grant (Pages 33 - 48)

A report by the Director of Planning and Regeneration.



P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk

30 July 2021

**For further information please contact:
Democratic Services, Civic Offices, Fareham, PO16 7AZ
Tel: 01329 236100
democraticservices@fareham.gov.uk**

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 5 July 2021

Venue: Council Chamber - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
T M Cartwright, MBE, Health and Public Protection (Deputy
Executive Leader)
I Bastable, Streetscene
F Birkett, Housing
Mrs S M Walker, Leisure and Community

Also in attendance:

R H Price, JP, for item 8(2)



1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor S D Martin.

2. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on Monday 07 June 2021 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader announced that at the start of the Covid-19 Pandemic, part of the Council's Response and Recovery Plan was to prepare an emergency budget - which was done in Summer 2020. Expenditure controls were also put in place to help manage what was expected to be a very significant impact on the Council's finances. The Executive Leader went on to explain that a report on this evening's agenda would show that this was indeed the case and that net costs were over £2.5m higher than was planned in the budget that was set in February this year.

The Executive Leader stated that the focus through the last year has been to keep vital services running, as far as possible, in a Covid secure way and in order to do this the emergency budget planned to draw over £1m from the Council's reserves. However, the government actually stepped up and said they would support Councils financially and the Executive Leader was pleased to confirm that this was indeed the case last year and that there was a wide range of funding streams which totalled nearly £5m. This has meant that, fortunately, the Council does not need to tap into reserves this year after all.

The Executive Leader stressed that it is important that we do not become complacent and think that we don't have a financial challenge ahead of us. Well before the Pandemic occurred, the Council's Medium-Term Finance Strategy was very clear that an under-lying funding gap existed, and this is what the Council has been addressing through the Opportunities Plan work. The reviews of coastal parking charges, CCTV arrangements and garden waste all seek to address the underlying financial gap which was there and predicted before the pandemic struck. It also gives capacity to address the future priorities for the Borough and although the need to do this was not born out of the pandemic, it will undoubtedly put further pressure on the need to create solutions to ensure that the Council remains in a strong fiscal position. As an example, the Executive Leader stated that a year ago the town centre parking income exceeded £2m per annum. In the last year, little more than one third of this amount was collected and, given the permanent impact that the pandemic has had on the high street it is highly unlikely that we will see a return to pre-pandemic levels.

The Executive Leader stated that other services have also suffered, such as housing support, trade waste, property rents, collection rates for non-domestic rates and council tax. At the same time, we know there will be increasing costs in areas such as waste collection when the Government's new waste strategy is implemented along with local priorities such as net zero for the

Council's carbon footprint. There will be a full review, as always, when the Council considers the Medium-Term Finance Strategy in the autumn.

The Executive Leader concluded by stating that he felt that it was important to clarify for members, and indeed the public, that a one off positive financial support from the government does not mean that the longer term financial pressures have gone away, and that he was sure they have not.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

There were no deputations made at this meeting.

7. REFERENCES FROM OTHER COMMITTEES

Policy & Resources Scrutiny Panel – 28 June 2021

Item 6 – Capital & Treasury Management Outturn 2020/21

The Panel considered a report by the Deputy Chief Executive Officer on the capital & treasury management outturn for 2020/21.

At the request of the Chairman, the Deputy Chief Executive Officer gave the Panel a brief explanation on the Council's Commercial Investment Portfolio. There were several questions regarding the impact of the Pandemic on the investment portfolio. The Deputy Chief Executive Officer explained that there is always a level of risk when investing in commercial properties, however he reassured the Panel that the investments that the Council have made are low risk.

RESOLVED that the Panel recommends to the Executive at its meeting in 5 July, that it endorses the recommendations as set out in the report.

Item 7 – General Fund & Housing Revenue Account Outturn 2020/21

The Panel considered a report by the Deputy Chief Executive Officer on the general fund and housing revenue account outturn for 2020/21.

At the invitation of the Chairman, Councillor S Woodward, Executive Member for Policy and Resources, addressed the Committee on this item. He reminded the Panel that whilst the level of government funding during the Pandemic has enabled the Council not to have to use its reserves this year, the Council was already facing financial pressure prior to Covid-19 and therefore any plans for further income streams that the Council has considered or implemented will need to continue in order to meet the on-going financial pressures that will be placed on the Council for several years to come.

RESOLVED that the Panel recommends to the Executive, at its meeting on 5 July 2021, that it endorses the recommendations set out in the report.

8. POLICY AND RESOURCES

- (1) Variation to Construction of new units at Faraday Business Park, Daedalus

RESOLVED that the Executive:

- (a) agrees to the two-stage process for providing office accommodation in Units 15 and 16 (set out in paragraphs 17 - 23 of the Executive Briefing Paper) and the required increase in the capital budget of up to £550,000;
 - (b) approves a variation to the current construction contract, at an estimated cost of £165,000, to allow for the stage one office works to be undertaken;
 - (c) grants delegated authority to the Director of Planning and Regeneration following consultation with the Deputy Chief Executive Officer and the Executive Member for Policy & Resources to award a contract(s) for the stage two office works, at an estimated cost of up to £385,000; and
 - (d) additionally, note that an additional capital budget of £50,000 is required to cover minor variations to the scheme following the award of the construction contract.
- (2) Complaints Policy and Unreasonable Complaint Behaviour Policy Updates

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

During the discussion on this item it was noted at paragraph 20 of the report that, in addition to the Housing Ombudsman providing a free service, the Local Government & Social Care Ombudsman (LGSCO) also provides a free service.

It was agreed during the discussion of this item that:

- (i) at paragraph 10 of the Complaints Policy, as detailed at Appendix A to the report, the contact details for the Housing Ombudsman be added alongside the contact details for the Local Government and Social Care Ombudsman;
- (ii) bullet point 6 of paragraph 15 of the Unreasonable Complaints Policy, as detailed at Appendix B to the report, be amended to allow more than one witness to be present when personal contact takes place in dealing with unreasonable complaint behaviour;
- (iii) paragraph 3 of the Unreasonable Complaints Policy, as detailed at Appendix B to the report, be amended to reflect that in the event of a

complaint being escalated to Stage 2, the Director of the department will review the complaint process, not the complaint; and

- (iv) a further report be brought for consideration regarding safeguarding of Members when they are the subject of persistent, vexatious or abusive people.

RESOLVED that, subject to (i) to (iv), as outlined above, the Executive adopts:

- (a) the updated Complaints Policy as set out in Appendix A to the report; and
- (b) the updated Unreasonable Complaint Behaviour Policy, as set out in Appendix B to the report.

(3) General Fund & Housing Revenue Account Outturn 2020/21

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

RESOLVED that the Executive:

- (a) approves the carry forward of £51,900 to fund the completion of the committed General Fund expenditure programmes in 2021/22, as contained in this report;
- (b) approves the carry forward of £470,000 for the HRA Capital Programme to re-align budget and expenditure phasing and to support the forthcoming programme for 2021/22; and
- (c) notes the contents of the report.

(4) Capital & Treasury Management Outturn 2020/21

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

RESOLVED that the Executive:

- (a) approves the General Fund capital programme for 2020/21 to be financed as set out in this report;
- (b) agrees that the additional expenditure incurred, amounting to £90,086 be financed retrospectively from unallocated capital resources; and
- (c) notes the treasury management activity for 2020/21.

(The meeting started at 6.00 pm
and ended at 6.29 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 09 August 2021

Portfolio:	Health and Public Protection
Subject:	Draft agreement with English Heritage regarding charging at the Council's Portchester Castle car parks
Report of:	Director of Leisure and Community
Corporate Priorities:	Strong, Safe, Inclusive and Healthy Communities. Dynamic, Prudent and Progressive Council.

Purpose:

This report sets out the main terms of a proposed legal agreement with English Heritage (EH) which, if approved and subsequently signed by the Council and EH, would allow the introduction of charging in the two car parks at Portchester Castle.

Executive summary:

At the meeting of the Executive on 07 September 2020, the introduction of £1 hourly charging for up to 6 hours, between the hours of 10am and 6pm in the Borough's nine coastal car parks was approved.

The Council faces significant financial challenges, made worse by COVID-19, and the additional parking income generated will help to ensure that the Council is able to continue to provide a good level of parking enforcement and maintenance as well as invest in parking infrastructure.

Two of the nine coastal car parks that the Council owns are located on the site of Portchester Castle. A Guardianship Agreement is in place at the castle, which provides English Heritage some powers over the activities within the castle grounds.

Extensive negotiations with English Heritage (EH) have been undertaken regarding the introduction of charging in the two Portchester Castle Car Parks. An agreement has now been reached and is presented at confidential Appendix B for approval.

Despite unforeseeable delays in production and delivery of the solar powered pay and display machines, charging started on 01 August in four of the highest use car parks, using temporary payment machines. It is anticipated that charging will begin in the next few weeks in the remaining car parks, alongside the two at Portchester if the agreement with EH is approved.

Season ticket sales for all coastal car parks commenced on 26 July 2021 with over 160 sales in the first 3 days.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) approves the agreement with English Heritage to allow hourly charging and season ticket use in the two Portchester Castle car parks; and
- (b) delegates authority to the Director of Leisure and Community, following consultation with the Executive Member for Health and Public Protection, to agree any minor amendments to the agreement.

Reason

The introduction of hourly charging and season ticket use in the two Portchester castle car parks would generate much needed revenue to help ensure the continued provision of a good level of enforcement and maintenance as well as investment in parking infrastructure.

Cost of proposals:

The costs of the new signage needed in the car parks can be met from existing budgets.

Appendices: A: Confidential – Overview of main provisions in agreement

B: Confidential – Agreement with English Heritage regarding parking charges at Portchester Castle

Background papers: Guardianship agreement

Reference papers: 07 September 2020 Executive Report: Parking Service Review.

04 January 2021 Executive Report: Concessionary and Season Ticket options at Coastal Car Parks.

07 June 2021 Executive Report: Traffic Regulation Order for Coastal Car Parks – consideration of consultation responses and delegation by the Executive Leader of the Council to the Executive Member for Health and Public Protection to determine such orders in the future.

28 July 2021 Executive Member for Health and Public Protection Report: Portchester Car Parks Traffic Regulation Order – consideration of consultation responses

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	09 August 2021
Subject:	Draft agreement with English Heritage regarding charging at the Council's Portchester Castle car parks
Briefing by:	Director of Leisure and Community
Portfolio:	Health and Public Protection

INTRODUCTION

1. This report sets out the main terms of a proposed legal agreement with English Heritage (EH) which, if approved and subsequently signed by the Council and EH, would allow the introduction of charging in the two car parks at Portchester Castle. It also provides a brief update on the start of hourly charging and season tickets in the other coastal car parks.

BACKGROUND

2. The Council was facing significant financial challenges prior to the impact of COVID-19, however, these were made considerably worse by the pandemic. In response to this, at the meeting of the Executive on 07 September 2020 the introduction of £1 hourly charging for up to 6 hours, between the hours of 10am and 6pm in the Borough's nine coastal car parks was approved.
3. The additional parking income generated by coastal charging will help to ensure that the Council is able to continue to provide a good level of parking enforcement and maintenance.
4. The Council has had ownership and control of the two Portchester Castle car parks, and significant parts of the site outside of the Castle walls since 1956. However, a Guardianship Agreement has been in place, covering the whole of the site, not including St Mary's Church, since 1926. This gives EH some powers over activities that take place within the site.
5. With this in mind, discussions with English Heritage regarding the introduction of charging within the Council's car parks began when the Executive approved the introduction of coastal charging in September 2020.
6. A Season Ticket scheme was subsequently approved by the Executive on 04 January 2021. A Draft Off-Street Parking Places (Amendment 3) Order 2021 consultation took place between 19 March 2021 and 09 April 2021. Negotiations were still ongoing with EH regarding the two Portchester Castle Car Parks at this time and it was not considered appropriate to include the two car parks within the consultation.

7. In response to feedback received, minor amendments were made to the proposed Order, which was then approved at the meeting of the Executive on 07 June 2021. Authority was also delegated to the Executive Member for Health and Public Protection to determine future Traffic Regulation Orders.
8. Negotiations with EH progressed over a number of months and had reached an advanced stage by the middle of June 2021. Therefore, the Draft Off-Street Parking Places (Amendment 4) Order 2021 consultation took place between 25 June and 16 July 2021.
9. This asked for comments on proposals for the introduction of hourly charging and season tickets in the two Portchester Castle car parks. Comments were considered but no further concessions were made when the Executive Member for Health and Public Protection approved the updated order on 28 July 2021.
10. A proposed agreement has now been reached with EH that will allow the introduction of hourly charging and season ticket use in the Portchester Castle car parks. An overview of the main provisions of the proposed agreement with EH is attached as confidential Appendix A and the draft agreement itself is presented for approval in confidential Appendix B. There may yet be some minor amendments to the wording but the agreement presented contains the basic provisions agreed with EH.

INTRODUCTION OF CHARGING UPDATE

11. Despite procuring them last autumn, there have been some unforeseeable delays to the production and delivery of the solar powered pay and display machines. In order to allow charging to begin in the highest use car parks more swiftly, temporary coin-only pay and display machines have been installed in the following car parks:
 - Hove To
 - Meon Shore
 - Monks Hill
 - Salterns
12. In addition to the pay and display machines, visitors are also able to pay for parking using the PayByPhone app. Charging began in these car parks on 01 August 2021.
13. It is anticipated that the permanent pay and display machines, which allow payment by coin and card will be delivered within the next few weeks. The temporary machines will then be replaced, and charging will also begin in the following car parks:
 - Swanwick Shore Road
 - Passage Lane
 - Shore Road
14. Season tickets have been on sale since 26 July and have proven popular so far with over 160 being sold within the first 3 days.

NEXT STEPS

15. If the agreement with EH is approved, both parties will sign the document, taking into account any minor agreed amendments. Once the pay and display machines are installed in the castle's car parks, hourly charging and season ticket use can then commence.

CONCLUSION

16. Following extensive negotiations with English Heritage, an agreement has been reached in principle that would allow the introduction of hourly charging and season ticket use in the two car parks at Portchester Castle.

Enquiries:

For further information on this report please contact Lindsey Ansell (Ext 4567)

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

Document is Restricted

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

Document is Restricted

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 09 August 2021

Portfolio:	Policy and Resources
Subject:	Welborne Garden Village Housing Infrastructure Grant
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Providing Housing Choices Strong, Safe Inclusive and Healthy Communities

Purpose:

To delegate authority to the Director of Planning and Regeneration to enter into a memorandum of understanding between the Council and Homes England in order to help secure £42m Housing Investment Grant (HIG) funding for the M27 Junction 10 Improvement Scheme and unlock 6,000 homes at Welborne Garden Village.

Executive summary:

Housing Investment Grant (HIG) funding of £42m is being provided to Hampshire County Council (HCC) to enable the delivery of the M27 Junction 10 Improvement Scheme to unlock 6,000 homes at Welborne Garden Village.

Hampshire County Council has agreed to delegate authority to its Director of Economy, Transport and Environment to complete the funding agreements associated with this grant, including a Grant Determination Agreement (GDA) with Homes England for the HIG funding.

A simultaneous Memorandum of Understanding between Homes England and this Council is also required to secure the HIG funding. This sets out the obligations on the Council in relation to the monitoring of various s106 requirements on the Developer of Welborne Garden Village; the monitoring of housing outputs unlocked by the HIG-funded infrastructure works; and the recovery and reinvestment into affordable housing of the HIG funds.

This report sets out those obligations and seeks Executive approval to enter into a Memorandum of Understanding with Homes England to help secure the £42m grant to HCC.

On 23 July 2021, the Planning Committee agreed to delegate to the Head of Development Management the ability to secure a mechanism to recover and recycle HIG Funding in accordance with Homes England's requirements in a legal agreement pursuant to Section 106 of the Town and Country Planning Act 1990.

Recommendations:

It is recommended that the Executive:

- (a) approves the terms of the Memorandum of Understanding with Homes England to help secure the £42m Housing Investment Grant for Welborne Garden Village as attached at Confidential Appendix A to this report;
- (b) delegates authority to complete the Memorandum of Understanding to the Director of Planning and Regeneration, following consultation with the Council's s151 Officer and the Executive Leader of the Council; and
- (c) requests that the Head of Development Management incorporates these provisions in the legal agreement for Welborne pursuant to Section 106 of the Town and Country Planning Act 1990.

Reason:

To comply with certain requirements of the Council relating to the Housing Investment Grant (HIG) funding and to help secure the £42M HIG contribution to the M27 Junction 10 Improvement Scheme.

Cost of proposals:

There are no additional costs to the Council of this recommendation. Some additional officer capacity may be required to comply with the monitoring, recovery and reinvestment obligations within the Memorandum of Understanding but there is provision in the Welborne Garden Village s106 planning agreement for these costs to be recovered from the Developer.

Confidential Appendix: A: Heads of Terms for Memorandum of Understanding between Homes England and Fareham Borough Council

Background papers: None

Reference papers: Hampshire County Council Cabinet Decision Report M27 Junction 10 Welborne 13 July 2021

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	09 August 2021
Subject:	Welborne Garden Village Housing Infrastructure Grant
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION

1. The Welborne Plan, adopted by the Council in 2015, requires the development of Welborne Garden Village to be taken forward on a comprehensive basis. The provision of an upgraded “all-moves” junction at M27 Junction 10 is a critical part of the infrastructure needed to access the Welborne site and unlock the development of up to 6,000 new homes, 105,000 sqm of employment floorspace and 10,000 sqm of retail floorspace, community use floorspace within new district and village centres, schools and site-wide infrastructure.
2. A planning application for the comprehensive development of Welborne Garden Village was submitted by Master Developer, Buckland Development Ltd, in 2017, with revisions submitted in December 2020 and further revisions submitted in June 2021 (Planning Reference P/17/0266/OA). Planning Committee resolved to grant outline planning permission for a third time on 23 July 2021.
3. The M27 Junction 10 Improvement Scheme includes the creation of a new underpass to the M27 which will connect with a new eastbound off slip and new westbound on and off slip roads to the M27. The Scheme also includes the necessary connection of the new slip roads to the A32.
4. Traffic modelling undertaken as part of the consideration of the planning application has forecast that up to 1160 homes could be occupied at Welborne in advance of the implementation of the proposed M27 Junction 10 improvements. As such, Planning Committee on 23 July 2021 agreed to impose a planning condition to limit occupation on site to 1,160 dwellings (along with some limited commercial and retail floorspace) until the Junction 10 works are delivered. However, this provision alone presents a risk of piecemeal development and, given that the Council has sought to secure comprehensive development at Welborne, a further condition has been approved by each Planning Committee to require the details of the sources of all the Junction 10 funding to be submitted prior to any other work taking place at Welborne other than the Junction 10 works and those directly associated with it.

SCHEME COSTS AND DELIVERY

5. The costs of, funding for and identity of a Scheme Delivery Body for the M27 Junction 10 Improvement Scheme have been uncertain over the period since the Welborne Plan was published and, to date, it would not have been possible for the developer to satisfy the above pre-commencement condition.
6. In July 2021, Hampshire County Council agreed to be the Scheme Delivery Body and confirmed the estimated cost of the M27 Junction 10 Improvement Scheme as £72.8m. This figure includes £5.55m of development and design work completed to date, funded from the Solent LEP Local Growth Fund. With the addition of a contingency allowance for 'predictable and quantifiable' risks, the final estimated cost is £81m. However, this figure makes no additional allowance for exceptional costs which could arise because the work is on the motorway network managed by Highways England, or from currently unknown third-party issues. The County Council, as Scheme Delivery Body, is liable for the whole cost of the completed scheme, which is an uncapped liability should exceptional costs be incurred. Consequently, the County Council has been keen to secure additional funding provision to mitigate this uncapped liability.
7. The funding package for the M27 Junction 10 Improvement Scheme has for some time included contributions from the Solent LEP, Buckland Development Ltd and Homes England. These contributions have now been confirmed, subject to legal agreements being in place, as:

M27 Junction 10 Funding Source	Funding committed (£)
LEP Local Growth Deal	5,550,000
Homes England Capacity Funding Grant	750,000
Homes England Housing Infrastructure Grant	41,250,000
Developer Contribution	40,000,000
Developer Capped Contingency Fund	10,000,000
Total	97,550,000

8. The Developer has undertaken to provide a contribution of £40m, and up to a further £10m in the event that Junction 10 costs exceed £87.55m, and this was approved by Planning Committee on 23 July.
9. The committed funding package also includes a significantly increased grant of £41.25m, plus £750k capacity funding, from Homes England.
10. The committed funding package now stands at £97.55m, providing a surplus (contingency) of £16.55m against the cost estimate of £81m. The County Council is content that this provides sufficient mitigation for their uncapped liability with respect to Scheme delivery. If the actual cost of the Scheme is below £87.55m, the £10m BDL contingency fund will not be used and the BDL £40m contribution will be reduced, with a consequent positive impact on Affordable Housing once scheme viability reaches

agreed levels.

HOUSING INFRASTRUCTURE GRANT FUNDING

11. As above, Homes England has committed £42m Housing Investment Grant (HIG) to the M27 Junction 10 Improvement Scheme to secure the development of 6,000 homes at Welborne Garden Village, subject to final approval by the Secretary of State for Housing, Communities and Local Government and HM Treasury.
12. The grant will be paid to Hampshire County Council in instalments as and when required for the M27 Junction 10 Improvement Scheme and a funding agreement will be put in place between Hampshire County Council and Homes England. However, the grant is conditional on Fareham Borough Council entering simultaneously into a Memorandum of Understanding with Homes England, which places the following obligations on the Council:
 - Regular reporting on the status of engagement with the Developer
 - To enforce the terms of any Section 106 legal agreement relating to the Housing Project, including the recovery of HIG following Viability Reviews at agreed intervals
 - To provide updated details of the Garden Village proposals to include progress of the Housing Outputs
 - To use any recovered HIG funding to maximise the provision of affordable housing within the Garden Village
 - Not to make any amendments to key documents such as the Section 106 legal agreement without advising Homes England
 - To attend an annual review meeting with Homes England to discuss progress in achieving the Housing Outputs and its projections in relation to the future performance in achieving the Housing Outputs
13. The Council will be under continuing obligations to provide updated information on the Housing Outputs and amounts collected from the recovery/recycling provisions until the end of the housing delivery at Welborne Garden Village, estimated at 25 years.
14. Importantly, however, this Council will not have any responsibility for use of the initial HIG grant, as the receipt of the grant, the junction delivery obligations and performance obligations of the grant recipient, its contractors/consultants and the developer, are vested in the Grant Determination Agreement between Homes England and Hampshire County Council. Fareham Borough Council will not have any joint or several liability for this aspect of the works.
15. Prior to entering into the Memorandum of Understanding, the Council is required to provide:
 - A strategy for the recovery of HIG Funding and its recycling to provide additional affordable housing at the Garden Village which demonstrates the potential for the recovery of the HIG funding, sets out how the Council will maximise recovery of the HIG funding and sets out the monitoring and reporting arrangements

- A Housing Delivery Statement which sets out the housing delivery timetable, planning status, site assembly, site marketing, the profiling of Housing Output delivery and the affordable housing expected to be delivered. This will include the contents of the Site Wide Housing Strategy required by the s106 agreement and the Housing Statement, required by Planning Condition 38 and which includes a detailed plan and programme setting out the stages in delivery of the Housing Outputs
 - Confirmation that the Council has the resources in place to provide the Housing Delivery Statement, to monitor the Recovery and Recycling Strategy and the Housing Outputs and to adhere to the monitoring and reporting obligations to be set out in the Memorandum of Understanding.
16. The Council is also required to recover the grant from the Developer at Welborne to this Council if and when the Welborne development achieves a specified profit level, as determined by open book Viability Appraisals. The Council is required to commit to using any HIG Recovery Surplus to ensure additional affordable housing in Welborne is delivered, until such time as the Welborne Plan Policy Target of 30% affordable housing is achieved. If the Policy Target is achieved at Welborne (with or without the use of HIG funding), there is to be further recovery of HIG funding up to £42m. Any such further recovery is to be paid to the Council and can be used to unlock additional housing within the Borough. By exception, the Council will be permitted to take HIG Recovery Surplus as a payment towards infrastructure projects that unlock additional housing elsewhere in the Borough but only with the approval of Homes England at their absolute discretion.
 17. How any repaid HIG money is recovered and reinvested in the Borough is a decision for this Executive. It is however an explicit requirement of Homes England that recovered HIG is reinvested in affordable housing at Welborne. Subject to this confirmation by the Executive, an obligation will be included within the Section 106 planning agreement confirming that Fareham Borough Council will recover and reinvest HIG in additional affordable housing at Welborne, subject to agreed exceptions.
 18. The Special Planning Committee held on 23 July 2021 to consider revisions to the Welborne planning application was advised of the principles of the Recovery and Recycling Strategy and that they would be incorporated into the s106 planning agreement.
 19. Officers are confident that all the pre-conditions and obligations required by the Memorandum of Understanding can be met. The s106 planning agreement is well advanced.
 20. It is anticipated that the outstanding funding approvals will be in place by the end of September 2021. Members are requested to consider the obligations imposed upon the Council by the Memorandum of Understanding with Homes England and, if approved, delegate authority to the Director of Planning and Regeneration to enter into it to help secure £42m Housing Investment Grant (HIG) funding for the M27 Junction 10 Improvement Scheme and unlock 6,000 homes at Welborne Garden Village.

FINANCIAL IMPLICATIONS

21. The obligations within the Memorandum of Understanding Head of Terms will require some ongoing monitoring and reporting arrangements and this will be contained within existing staff resources. Where additional costs are expected, provisions within the

S106 agreement will enable the Council to recover these costs from the Developer.

22. At the point where HIG recovery commences, the recycling of the grant will be limited to the amount of funding recovered from the development, so there will be no additional financial implications arising at this stage.

Enquiries:

For further information on this report please contact Sarah Ward. (Ext 4669)

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

Document is Restricted

