

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 05 February 2018

Portfolio:	Planning and Development
Subject:	Welborne Garden Village
Report of:	Director of Planning and Regulation
Corporate Priorities:	Providing housing choices Protect and enhance the environment Strong, safe, inclusive and healthy communities Maintain and extend prosperity Leisure opportunities for health and fun Dynamic, prudent and progressive Council

Purpose:

This report updates the Executive on external funding secured from Homes England for Welborne Garden Village and seeks approval for the use of these funds to commission strategies and studies to help progress and deliver Welborne, in line with the Government's Garden Village principles.

Executive summary:

Welborne was awarded Garden Village status in January 2017 and the Council applied for Homes England round two Capacity Funding in August 2017.

On 5 December 2017, the Council received notification that Welborne Garden Village had been awarded £275,000 of Capacity Funding for 2017/18. This funding is in addition to the £228,000 secured in round one.

A condition of the Homes England funding is that it is spent on specific activity set out in the bid submission and that project activity must have commenced before 31 March 2018. Therefore, these external funds will be used to commission two strategies and seven studies that will help accelerate the delivery of Welborne and provide additional project management capacity in the Welborne team.

There are two focussed strategy commissions for Welborne Garden Village, namely for Placemaking and Community Development. In addition, seven important housing studies will be commissioned that will investigate and develop solutions on housing needs; private rental market; intermediate housing; specialist accommodation for older people; Council house building; self and custom build; and house building to Passivhaus standards.

The commissions will be awarded in line with the Council's contract procedure and procurement processes. It is anticipated to award contracts for the commissions in

mid-February and early March 2018.

Each commission includes external partner and internal officer and Portfolio Holder consultation and engagement.

Recommendation:

It is recommended that the Executive:

- (a) delegates authority to the Director of Planning and Regulation following consultation with the Executive Member for Planning and Development as appropriate to procure the strategies and studies required to progress Welborne, in line with the Government's Garden Village principles;
- (b) approves the expenditure in relation to (a) above from grant funding provided by Homes England, together with any subsequent unforeseen capacity requirements agreed and funded by them as necessary.

Reason:

Welborne is one of 14 new Garden Villages supported by the Government. The Homes England capacity funding award will cover the full costs of commissioning important strategies and studies that will assist in defining the Council's ambitions, accelerating delivery of new homes and creating a unique sense of place that future communities can be proud of.

Cost of proposals:

The full costs of commissioning the strategies and studies will be met from the external funding secured.

Appendices: None

Background papers: None

Reference papers:

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Executive Briefing Paper

Date:	05 February 2018
Subject:	Welborne Garden Village
Briefing by:	Director of Planning and Regulation
Portfolio:	Planning and Development

INTRODUCTION

1. The Government recognised the potential at Welborne to design and develop a new community with much needed new homes and awarded the site Garden Village status in January 2017. A true Garden Village, diverse, innovative and characterful with a large central park at its heart, Welborne will provide around 6,000 new homes, 5,735 new jobs and 108 hectares of natural green space, play areas, allotments and sports facilities for residents to explore and enjoy.
2. The Council has ambitions to help more people realise their dream of owning their own home through a variety of new homes and associated initiatives. Welborne will deliver a wide range and mix of much needed private and affordable housing to meet the existing and future needs of the Borough.
3. In early 2017, Homes England (then the Homes and Communities Agency) allocated £228,000 of its Capacity Funding (round one) to assist the Council in accelerating the site forward for development.
4. In August 2017, the Council applied to Homes England for additional round two Capacity Funding and on 5 December 2017, received notification that Welborne Garden Village secured £275,000 of funding for 2017/18.
5. These external funds will be used to commission two strategies and seven studies that will help accelerate the delivery of Welborne and fund additional project management capacity in the Welborne team.

POLICY BACKGROUND

6. The Council has developed its own vision for Welborne as set out in the Welborne Plan adopted in June 2015. This sets out comprehensive development policies for the new community. The framework places great emphasis on successful delivery in recognition of the Council's responsibility to meet its housing and economic growth obligations.

Welborne will be a 21st Century interpretation of the Garden City principles, redefining them in a contemporary way and in response to the specific locality of the site.

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 which may culminate in revised figures being adopted.

GARDEN VILLAGE COMMISSIONS

8. It is proposed to use the external funds secured to cover the full costs of commissioning important strategies and studies that will assist in defining the Council's ambitions, accelerating delivery of new homes, and creating a unique sense of place that future communities can be proud of.
9. It is exceptionally important that the work commissioned takes account of the Garden City principles and the exemplary placemaking required for Welborne Garden Village. Welborne cannot be a facsimile of other new developments.
10. Officers have developed tender specifications for two focussed strategy commissions for Welborne Garden Village, namely for Placemaking and Community Development. In addition, seven important housing studies will investigate and develop solutions on housing needs, private rental market; intermediate housing to best meet housing need; specialist accommodation for older people; Council house building; self and custom build; and house building to Passivhaus standards. The tenders have been developed in consultation with key internal teams (planning strategy, development management, housing, leisure & corporate and procurement) and with colleagues at Homes England.

PLACEMAKING STRATEGY COMMISSION

11. The Placemaking Strategy commission is centred on stimulating creative thinking around what can be delivered within an award winning new Garden Village and the bar set high in terms of quality of the place.
12. The Council wishes to see placemaking embedded in the development and delivery of Welborne Garden Village. In particular, a Placemaking Strategy will support the Local Planning Authority's role in assessing the proposals that are put forward by the master developer, Buckland Development Limited.
13. The Local Plan policy framework provides, as far as possible, for the creation of a contemporary Garden Village, comprehensive and self-sustaining with a distinctive identity.
14. In addition, the Welborne Design Guide adopted in January 2016 provides design guidance which together with the high-level master plan, in the form of a Strategic Framework Diagram in the Welborne Plan, will provide a framework to deliver a locally distinctive and high quality designed development.
15. The Welborne Plan aspires to the development of a community over and above that which a Local Planning Authority is typically able to 'require', and it should be acknowledged that effective 'placemaking' will make the difference between merely a well-designed and well-serviced new development and one which is inspirational and aspirational with a distinctive identity and character.

16. The key placemaking, design and delivery principles in the Welborne Plan are set out in chapters 2-4 and include:
 - Policy WEL2 – High Level Development Principles
 - Policy WEL4 – Comprehensive Approach
 - Policy WEL5 – Maintaining Settlement Separation
 - Policy WEL6 – General Design Principles
 - Policy WEL7 – Strategic Design Codes
 - Policy WEL8 – Protection and Enhancement of the Historic Environment
17. Housing and landscape design will be a key element of this, but the Placemaking Strategy will also focus on the creation and development of a welcoming, vibrant and fabulous place to live from the very earliest settlers through to the completion of the development.
18. The Council is seeking to develop a Placemaking Strategy with a clear understanding of how a sense of place will be built from the outset and embedding a contemporary vision of the established Garden City principles. This will include:
 - A placemaking narrative – the story of how the place will be made identifying key infrastructure, facilities and meanwhile uses that will deliver the lifestyle quality of the development for the very first residents;
 - A set of principles, interventions and deliverables to be developed that will result in exemplary placemaking from the early stages of the development of the Garden Village right through to maturity;
 - The development of a costed business case and a prioritised sequencing plan based on value added outcomes for early and patient investment in key on-site infrastructure including landscape, active travel routes, schools, community and business facilities to enhance the lifestyle quality of the development for the very first residents;
 - Consultation and engagement with the elected Members, the Master Developer and other key investment partners to achieve comprehensive sign up to the placemaking agenda;
 - Support to enable a wider community influence in placemaking for Welborne Garden Village. This will include design workshops to embrace and encompass what good placemaking looks like;
 - Guidance to inform options for the Council to be an active partner in investment, direct provision and delivery of services at Welborne whilst being conscious of the financial constraints in which the Council operates; and
 - A set of strategic outcome measures to demonstrate the effectiveness of the proposed Strategy.
19. The commission will also ensure that any outline, or future detailed, planning application consent granted reflects the best possible placemaking outcomes, delivering the Welborne Plan policy requirements by providing the Council with practical support and advice to inform negotiations.
20. The third key priority for the commission will be to provide technical advice and detailed plans to overcome specific design and delivery issues already identified as potential impediments to good placemaking such as:

- The delivery of key active travel routes early in the development;
 - The delivery of key community facilities early in the development;
 - The delivery of the tree-lined street requirements of the Welborne Plan taking account of Highways Authority adoption requirements including utility needs and lighting. Early resolution will be valuable to preserve the design codes of tree-lined streets in the Garden Village; and
 - The capture of value from the development to provide the community with the resources for self-management.
21. In summary, the Placemaking Strategy will provide a set of principles, interventions and deliverables to be developed that will result in exemplary placemaking from the early stages of the development of the Garden Village right through to maturity. It will assist officers and elected Members in the determination of the outline planning application so that the Council can maximise placemaking benefits delivered by the regulatory planning process, using the strong policy basis that has already been developed. It will identify what can be delivered over and above that achieved through the planning process and set out an Action Plan to achieve it.
22. A budget allocation of up to £75,000 excluding VAT (inclusive of all fees and expenses) has been set aside for the Placemaking Strategy. The commission will commence week commencing 19 February 2018 and is due for completion on 27 July 2018.

COMMUNITY DEVELOPMENT STRATEGY COMMISSION

23. Welborne Garden Village presents a unique opportunity to develop a welcoming, vibrant and inclusive community with a range of community development initiatives that create an embed community identity and cohesion as well as developing mechanisms for the ownership and/or long-term stewardship of Welborne's land and built assets from the outset.
24. Welborne is not a facsimile of other new developments: it will be a truly special and inspirational place. While the quality of the built and green environment will be exceptional and the facilities and infrastructure required for the new community will be in place for the earliest residents, it is what happens to the people in this place that will make the real difference.
25. A strategy is needed to establish a sense of community identity and cohesion that is dynamic and flexible enough to respond to the transition from no residents to new residents to an established community as the Garden Village develops.
26. The Community Development Strategy will also consider how to help people to make emotional connections to Welborne as a special place, creating a community by helping new residents to build and join networks of relationships and providing a foundation for not only residents but nearby communities on which the experiences that create emotional connections to the place can emerge.
27. The first homes at Welborne are likely to be inhabited in 2019. It will be critical to engage these pioneer residents not only to undertake typical community development activities in the new community but also to encourage them to engage in the spirit of the Garden Village with its community ownership/long-term stewardship of Welborne's assets and buildings. However, it will be equally important to ensure that these early settlers do not themselves become exclusionary and to engage later waves of residents moving in.

28. The aim of the Strategy is to:

- Set out an agreed vision and shared set of objectives to deliver a successful new community at Welborne Garden Village;
- Set out the predicted community profile and the issues and opportunities likely to arise from the specific mix;
- Identify how the Garden City principles will be embedded in the community development offer, specifically community ownership of land and long-term community stewardship of assets;
- Set out the strategic interventions required to achieve the vision and objectives;
- Set out the key outcome measures with a measurement methodology for each; and
- Provide an Implementation Plan with SMART and realistic deliverables and to include a timeframe for delivery.

29. A budget allocation of up to £15,000 excluding VAT (inclusive of all fees and expenses) has been set-aside for the Community Development Strategy. The commission will commence week commencing 5 March 2018 and is due for completion on 27 July 2018.

HOUSING STUDIES COMMISSIONS

30. Welborne Garden Village presents opportunity to future-proof the Borough's housing needs.

31. On the whole, Fareham's residents are well housed; with 9 out of 10 houses being owner-occupied which is the highest in the region and fourth highest in England. In contrast, the proportion of social and private rented housing is very low. The housing stock generally is in good condition with few properties needing major repairs or lacking standard amenities and it is also energy efficient.

32. Average house prices are significantly higher than for neighbouring local authorities in south east Hampshire, but lower than in Hampshire as a whole. First-time buyers in Fareham struggle to get into the housing market as the ratio between average house prices and earnings is significantly higher than the level for other areas in south east Hampshire.

33. One of the Council's corporate priorities is to work with key partners to enable and support a balanced housing market so that:

- Residents of Fareham have access to good quality housing that is affordable, within their means and offers a choice of tenures;
- Vulnerable people are supported to access and sustain housing that is appropriate to their need; and
- Provide existing and future tenants of the Council with access to suitable and affordable rented accommodation.

34. Welborne offers the opportunity for the Council to deliver on its stated ambition to:

- Enable the provision of significant numbers of new affordable homes;
- Bring forward proposals for affordable housing development either directly or through the Council's Joint Venture Housing Company, Aspect; and
- Modernise and improve sheltered accommodation across the Borough.

35. The Welborne Plan sets out a policy for the housing mix as 30% affordable housing comprising 70% affordable or social rent and 30% intermediate tenures, with the precise mix to be agreed with the Council as each phase of the development comes forward. The Council is also one of 30 local authorities selected to work with the Homes and Communities Agency (now Homes England) to deliver around 120 Starter Homes in the early phases of Welborne Garden Village.
36. However, the Plan is silent on what the intermediate tenure should be. The Council has no other policies on intermediate housing to utilise in Welborne Garden Village.
37. The policies in the Welborne Plan follow a standard terminology:
- “shall” indicates a policy requirement;
 - “should” indicates a recommendation or something that is being particularly encouraged;
 - “may” indicates something that would be considered permissible; and
 - “can” indicates a possibility or a capability.
38. The seven commissions proposed are linked to the aspirational policies – “should/may/can” - in the Housing chapter of the Welborne Plan, specifically WL17, WEL18, WEL19, WEL21 and para.6.24.
39. A summary of the seven housing study commissions is set out below:

Commission 1 – Housing needs analysis and support for planning negotiations

40. The Council requires support to negotiate the housing mix for Phase 1 of the Welborne development. Using evidence already commissioned, the study will:
- Analyse the housing needs evidence and recommend the appropriate mix of size and tenure for the market and affordable housing in Phase 1; and
 - Support the Council’s officers in the negotiation of the current planning consent.

Commission 2 – Delivery of homes at Welborne for private market rent

41. The Council wishes to understand the range of opportunities and business case for bringing forward a scheme in Phase 1 of the Welborne development offering homes for rent at market value at scale. The study will:
- Set out the case for bringing forward a scheme in Phase 1 of the Welborne development offering homes for rent at market value at scale, which can be used to influence developers and investment partners to invest in and develop a scheme;
 - Outline the likely scheme costs and an investment profile, demonstrating an optimum size for the scheme, its viability and payback period in an outline business case;
 - Set out and analyse the range of potential investment and delivery partners and make recommendations as to the most appropriate delivery option for the Council to pursue. The Council’s Joint Venture Housing Company, Aspect, will be considered as one option alongside a range of other investors, landlords and developers; and

- Set out a detailed Action Plan to guide the Council in the commissioning, influencing or delivery of a scheme offering homes for rent at market value at scale.

Commission 3 – Consideration of types of Intermediate Housing that will best meet housing need

42. The Council requires an improved understanding of the options for intermediate market housing that will best meet the Borough's identified housing needs in order to establish an agreed policy approach against which to negotiate the planning consent for Welborne Garden Village. The study will:

- Set out the range of product options for intermediate housing in Welborne Garden Village;
- Analyse the advantages and disadvantages of each option, particularly in relation to the relative affordability and sustainable mid/long-term outcomes for the residents and viability for the developer; and
- Make recommendations as to which intermediate housing products best meet the housing needs of the Borough and what intermediate housing products should be developed at Welborne Garden Village.

Commission 4 – Specialist private/market accommodation for older people

43. The Council wishes to encourage the site promoters and developers to include well-designed specialist accommodation for older people as part of the new community. The study will:

- Analyse the market for specialist market accommodation for older people and set out the case for bringing forward a scheme in Phase 1 of the Welborne development, which can be used to influence developers and investment partners to invest in and develop a scheme;
- Outline the likely scheme costs and an investment profile, demonstrating an optimum size for the scheme, its viability and payback period in an outline business case;
- Set out and analyse the range of potential investment and/or delivery partners and make recommendations as to the most appropriate option for the Council to pursue; and
- Set out a detailed Action Plan to guide the Council in influencing the delivery of a scheme offering specialist market accommodation for older people.

Commission 5 – Council house building at Welborne

44. The Council wishes to play a central and active role in the delivery of affordable housing at Welborne, over and above whatever percentage contribution is agreed in the s106. The Council wishes to understand the opportunities for new development at Welborne to enable re-use and re-modelling of the Council's existing stock to better meet the housing needs across the Borough. The study will:

- Assesses at a high level the suitability of the Council's existing stock in meeting the housing needs across the Borough;
- Set out the case for bringing forward affordable housing schemes in Phase 1 of the Welborne development, to meet local housing needs and/or provide

opportunities for the re-use and re-modelling of the Council's existing stock to better meet the housing needs across the Borough, and

- Outline the likely scheme/s costs and an investment profile, demonstrating an optimum size for the scheme/s, viability and payback period in an outline business case for either the Council or the Council's Joint Venture Housing Company, Aspect, to consider.

Commission 6 – Self and Custom Build

45. The Welborne Plan has a policy aspiration to deliver not less than 1% (60) of the homes as self or custom build. The Council wishes to promote sites for self or custom build in the early stages of their development, which could see the first houses occupied in 2 years' time.
46. Working explicitly with and receiving the support from the national Right to Build Task Force which gained support in the Government's Housing White Paper, the study and work programme will consider:
 - what sort of self and custom build delivery would be acceptable and what can be ruled out at an early stage;
 - how self and custom build homes could be delivered in the early phases of the development, preferably Phase 1;
 - how a higher proportion than 1% (60 homes) could be delivered over the whole development.

An options appraisal and Delivery Plan for Self and Custom Build Housing at Welborne will be produced if there is support for an early scheme at Welborne.

Commission 7 – House Building to Passivhaus Standards.

47. The Welborne Plan has a policy aspiration to deliver 10% (600) well-designed specialist new Passivhaus homes (or equivalent) as part of the new community. The Council is seeking to commission an assessment of the implications of its Welborne Plan Policy position on Passivhaus Standards at Welborne Garden Village.
48. The Council is keen to encourage high levels of sustainability and thermal efficiency in new buildings at Welborne, as this would reduce energy consumption and bills for residents and occupiers of non-domestic dwellings.
49. The Council requires an analysis of the viability, benefits and deliverability of providing house building to Passivhaus standards at Welborne Garden Village and of the comparative equivalent standards. The study will:
 - Set out the implications on designing and delivering Passivhaus standard homes at Welborne, including cost, viability and practicalities, based on an analysis of existing Passivhaus schemes built at scale;
 - Set out the benefits and disadvantages for homeowners, landlords and tenants in living in and renting out Passivhaus standard homes;
 - Set out the range of alternative sustainable house building standards that could be considered "equivalent" to the Passivhaus standard;
 - Evaluate the developer, building management and resident experience of the Council's existing social rented Passivhaus scheme at Coldeast Close, Sarisbury and make recommendations based on best practice; and

- Analyse the residential sales and buy-to-let market demand for specialist Passivhaus house building or alternative models.

50. A budget allocation of up to £77,500 excluding VAT (inclusive of all fees and expenses) has been set aside for the seven housing studies. The studies will commence in February 2018 and have a variety of completion dates the latest of which is 29 June 2018.

PARTNER ENGAGEMENT

51. All the commissions set out above include the need for appointed consultants to undertake appropriate partner and internal consultation and engagement. This will include the majority land owner and Master Developer (Buckland Development Ltd), Hampshire County Council, Homes England, Registered Social Landlords, the Council's Joint Venture Housing Company, Aspect, neighbouring Parish Councils, community leaders, Solent LEP and business leaders. Officers will agree consultation lists with appointed consultants at project inception meetings.

52. The Executive Member and Portfolio Holder for Planning and Development will be regularly updated with the progress and findings of the Strategy and survey work.

LEGAL IMPLICATIONS

53. There are no legal implications arising from the recommendations in the report as the procurement of the various studies will comply with the Council's contract procedure rules.

FINANCIAL IMPLICATIONS

54. On 5 December 2017, the Council received notification that Welborne Garden Village had been awarded £275,000 of additional capacity funding for 2017/18. This funding is in addition to the £228,000 secured from Homes England in round one.

55. The full costs of commissioning the strategies and studies will be met from this Homes England external funding secured. The remaining funds will be used to provide additional project management capacity in the Welborne team.

56. A condition of the Homes England funding is that it is spent on specific activity set out in the bid submission and that project activity must have commenced before 31 March 2018.

57. In its application for round two funding Capacity Funding, the Council justified how the round one monies were allocated and what impact and outcomes it achieved in moving the project towards delivery.

RISK ASSESSMENT

58. The potential strategic risks arising from commissioning the strategies and studies is that no organisation tenders for the work and/or the submissions do not meet the Council's assessment thresholds. In this case, officers will have the opportunity to either re-tender or identify internal resources to complete the work.

59. In managing this risk, officers are in dialogue with colleagues at Homes England to identify suitably qualified consultants to issue the tender briefs to, including those who have worked on other Garden Village projects.

CONCLUSION

60. Welborne is one of 14 new Garden Villages supported by the Government. The Homes England capacity funding award will cover the full costs of commissioning important strategies and studies that will assist in defining the Council's ambitions, accelerating delivery of new homes and creating a unique sense of place that future communities can be proud of.
61. It is recommended that the Executive notes the commissioning of the two strategies and seven housing studies and provide additional project management capacity in the Welborne team as set out in this report.

Enquiries:

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