

FAREHAM

BOROUGH COUNCIL

Report to Scrutiny Board

Date **21 November 2013**

Report of: **Director of Planning and Environment**

Subject: **COSTS ASSOCIATED WITH THE PREPARATION WORK FOR
THE WELBORNE PLAN**

SUMMARY

This report sets out the position on the development of the planning policy framework for Welborne and the reasons why the preparation of the Welborne Plan is important. It explains the approach taken to carry out the required technical work and the procurement process followed. The financial implications of preparing the Welborne Plan are set out in the quarterly report to the Executive and this is attached as Appendix B. The additional external funding secured to date to support the development of planning policy relating to Welborne is also included in this report minimising impact for Council tax payers in the Borough.

RECOMMENDATION

The Panel is requested to note the approach taken in respect of the production of the Welborne Plan, together with the cost implications and the external funding attracted to offset these.

INTRODUCTION

1. The Fareham Core Strategy was adopted by the Council in August 2011. Policy CS13 (Appendix A) sets out the planning policy guidance for the development of a new settlement to the north of Fareham (known as Welborne). The policy allows for a development of between 6,500 and 7,500 dwellings, plus accompanying employment and facilities and services to support the new population. The policy is high level in nature and requires a more detailed framework to be developed through an Area Action Plan (The Welborne Plan) plus a masterplan to be produced taking account of the development interests.

BACKGROUND

2. The Council is currently in the process of preparing the more detailed planning policy guidance in the form of the Welborne Plan, important in setting out the Council and community aspirations for the development to help guide any future planning applications. The development of both the Welborne Plan and strategic masterplan are vital in setting this clear framework. If a sound document is not produced and formally adopted by the Council, no guidance beyond what is in the Core Strategy will be available to guide developers in their preparation of planning applications. With no detailed planning policy covering the whole site, there is a risk that the developers will not work together to provide the necessary infrastructure in a co-ordinated and fair manner and that the Council will not achieve its aspirations for the development. However, to produce a sound plan, a strong evidence base has to be assembled to underpin the Welborne Plan policies. The current evidence in preparation include Infrastructure and Viability work, transport modelling, Economic study, Transport Strategy and development of a Strategic Masterplan.
3. Planning a new community of this size is a complex project that does not involve an off the shelf approach; it requires unique technical work. The view was taken that this could not be resourced using internal resources but to buy in the technical advice. This approach does have the advantage that the technical work is independent of the Council which strengthens that evidence in presenting the case at public examination.
4. Procurement of the necessary technical work has followed Financial Regulation 15 on Contracts and Procurement Procedures and the Contract Procedure rules for purchases over £20,000. In the cases where Contract Procedure Rules have been necessary the Council has procured the technical services through the use of the HCA Framework. This framework consists of technical panels, which consist of consultancies which have been procured through a fully compliant OJEU procurement process. In short, this method of procurement invites consultancies on the technical panel to submit quotations for the work specified in a Request for Quotation (RFQ) following which a competitive process is followed.
5. The resource implications of producing the Welborne Plan were set out in a report to the Executive on 5 November 2012. This was subsequently updated in a report to the Executive on 2 September 2013. A quarterly financial update will now be produced during the period of preparing the Welborne Plan. The latest report (2 September 2013) is set out in Appendix B.
6. The Council is currently awaiting the outcome of a bid to the Department of Communities and Local Government (DCLG) for Capacity Funding to assist with the planning and delivery of Welborne.

FINANCIAL IMPLICATIONS

7. The costs of the Welborne project have been predominantly funded from the Housing and Planning Delivery Grant reserve which has been set aside to be used for studies relating to the project and other Action Plan Projects. Since 2004/05 the Council has received over £2.637 million of funding through Planning Delivery Grant and Housing and Planning Delivery Grant.
8. During 2013/14 money has been secured from DCLG as detailed in paragraph 6. The outcome of the Capacity Funding bid submitted to DCLG (as referred to in paragraph 6) will determine the amount of Housing and Planning Delivery Grant that will need to be used in 2013/14 and 2014/15, and also the need to call on funding from the New Homes Bonus.
9. The Council has previously been successful in securing additional funding from a variety of sources to undertake the evidence work required to support the development of the Local Plan. Further funding may yet become available, however, to date, £280,000 has been received from the sources listed below.
 - Eco Town Finding £100,000 (2010/11)
 - Home and Communities Agency £150,000 (2010/12)
 - Partnership for Urban South Hampshire £30,000 (2011/12)
10. As a result of the use of external funding there has been no impact on the council tax payers in the borough.

RISK ASSESSMENT

11. There are no significant risk considerations in relation to this report.

CONCLUSION

12. The Scrutiny Board notes the approach the Council has adopted in relation to the Welborne project and supports the planning policy to guide the development of the project along with the continued funding from external resources.

Background Papers:

None.

Reference Papers:

None.

Enquiries:

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

Appendix A

CS13 North of Fareham Strategic Development Area

Permission will be granted for the development of a Strategic Development Area to the north of Fareham following the adoption of an Area Action Plan and the preparation of a comprehensive masterplan for the development. The development will include provision for between 6,500- 7,500 dwellings, unless it is found that this level of housing cannot be delivered without adversely affecting the integrity of protected European conservation sites. If any potential adverse effects cannot be avoided or adequately mitigated, the level and scale of development would need to be reduced accordingly to ensure that there are no adverse effects on the integrity of any European sites. The development will also provide supporting environmental, social and physical infrastructure, retail and employment floorspace to both support the development and to contribute towards meeting the development objectives of the South Hampshire Sub-Region. The new community will aim to be as self-contained as possible, whilst complementing and supporting the established town centre of Fareham and adjoining settlements.

The high level development principles are:

- the new development will create an inclusive and cohesive community, built upon the principles of sustainability;
- the development will be an exemplar of sustainable design, and resource efficiency, and will minimise water consumption and carbon emissions arising from operational energy use in new and existing buildings and infrastructure within the SDA;
- the development will provide up to 90,750 sq.m of employment floorspace, in a range of employment opportunities which contribute to sub-regional economic development objectives and contribute towards creating a high level of self containment and accessibility to reduce the need for commuting;
- the layout will create a connected network of Strategic Green Infrastructure, open spaces and recreational facilities that respects and enhances the landscape qualities of the area and meets the needs of the new community; and avoids or mitigates the potential ecological impacts of the development, and provides a net gain in biodiversity in the area. The basis for developing a Green Infrastructure Strategy will be to conserve and enhance the existing landscape, historic and ecological features on the site and adjacent areas, whilst linking new and established green spaces within the built environment and connecting the urban area to its wider rural hinterland;
- the provision of Green Infrastructure to meet the recreational needs of additional residents, to contribute to the access networks to the natural environment and BAP targets to achieve a net gain for biodiversity, to make a positive contribution towards implementing the Partnership for Urban South Hampshire Sub-Regional Green Infrastructure Strategy, and to ensure that any potential adverse effects on nationally and internationally protected sites identified through the SA/ HRA work are avoided. Where adequate mitigation or avoidance measures cannot be achieved on site through the provision of Green Infrastructure a financial contribution will be sought to provide off-site

mitigation measures such as managing access to nationally or internationally important sites or the provision of off-site Green Infrastructure;

- green buffers will be incorporated into the layout to prevent coalescence with Knowle, Wickham, Funtley and Fareham;
- the AAP and masterplan will be developed in accordance with the Emerging Transport Strategy, which is based on the following key principles;
 - The SDA will have high levels of self containment;
 - The SDA will address a significant proportion of trips through the development of robust reduce and manage policies;
 - Bus Rapid Transit (BRT) will form a key component of the access strategy;
 - Access will initially be via the A32 and junction 10 of the M27;

At a later stage a link road may be required from the A32 to junction 11 of the M27;

A phasing plan will be agreed, setting out how the rate of development will be linked to the funding and provision of the necessary transport infrastructure.

- the longer term transport interventions will need to be carefully designed to minimise the impacts on the strategic road network and fully mitigate any environmental or traffic impacts. It will also need to help facilitate an effective Bus Rapid Transit system;
- a balanced package of measures will be introduced to encourage smarter transport choices to meet the needs of the new development, and maximise the opportunities for sustainable travel; including the provision of a network of footpaths, cycleways and bridleways to enhance permeability within the site and to access the adjoining area; connection to the Bus Rapid Transit system; and effective measures to mitigate the transport impacts of the proposed development on the strategic and local road network;
- the development will provide supporting social and physical infrastructure; including a range of convenience and comparison shopping, local employment, health, community and leisure facilities centred around a new district centre, together with provision for pre-school, primary and secondary education. Up to three local centres will be provided to act as neighbourhood hubs for the provision of social infrastructure and local employment opportunities;
- the layout will provide for a range of housing types, sizes and tenures to meet the needs of the new community and aim to provide between 30-40% affordable housing;
- a Sustainable Drainage System will be fully integrated into the network of open spaces, to mitigate potential flood risk, allowing the SDA to adapt to climate change whilst providing biodiversity benefits and enhanced recreational opportunities. The development must also provide sewerage infrastructure.

The detailed framework setting the nature, form and boundary of the new community will be set out in an Area Action Plan. Other locations in the Borough will not be developed in lieu of development at the Strategic Development Area regardless of the eventual capacity or the phasing of the development.

An infrastructure phasing plan will be prepared and agreed by the Council, setting out how the rate of development will be linked to the funding and provision of the necessary social and physical infrastructure to ensure that the respective phases of the development do not come forward until the necessary infrastructure has been secured.

The masterplan will be produced in partnership with the development interests and will provide an indicative layout showing the disposition and quantity of future land-uses, and give a three dimensional indication of the urban design parameters which will be incorporated into any future planning application; together with a phasing and implementation strategy.

The masterplan will be accompanied by or incorporate a sustainability strategy which clearly demonstrates how the principles of sustainable development will be incorporated into the proposals and implemented to achieve the aim of an exemplar of a sustainable community.

A management plan will be produced as part of the masterplanning process to demonstrate how infrastructure and community assets will be maintained and managed.

All the above documents will need to be clear on the expected outcomes, and be sufficiently flexible to respond to changing opportunities and circumstances. They will also need to demonstrate how the National Air Quality Standards will be met.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision

2 September 2013

Portfolio: Strategic Planning and Environment
Subject: Preparation of Welborne Plan: Quarterly Financial Update
Report of: Director of Planning and Environment
Strategy/Policy: Fareham Local Development Framework

Corporate Objective: To protect and enhance the environment
Maintain and extend prosperity
Leisure for Health and Fun
A balanced housing market
Strong and Inclusive Communities
Dynamic, prudent and progressive Council

Purpose:
To advise the Executive on the updated costs for the preparation of the Welborne Plan.

Executive summary:
This report sets out the latest projected and incurred expenditure relating to the development of the Welborne Plan, and will be followed by quarterly financial updates during the period of preparation of the Welborne Plan. The report updates the Executive on the position reported to the Executive at their meeting on 5 November 2012. Since the previous report, additional consultancy work has been required in order to take account of on-going discussions with key parties including the principal landowners and statutory agencies and to address issues raised in the recent public consultation on the draft Welborne Plan.

Recommendation:
That the Executive notes the quarterly update on the financial costs of producing the Welborne Plan.

Reason:
To set out the updated expenditure and funding involved in the preparation of the Welborne Plan.

Cost of proposals:

To be met within existing resources and predominately funded from the Housing and Planning Delivery Grant reserve and the New Homes Bonus Grant.

Appendices: None.

Background paper: Report to the Executive on 5 November 2012 - New Community North of Fareham Area Action Plan - Revised Timetable Plan Preparation by the Director of Planning and Environment.

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 2 September 2013

Subject: Preparation of Welborne Plan: Quarterly Financial Update

Briefing by: Director of Planning and Environment

Portfolio: Strategic Planning and Environment

BACKGROUND

1. A report to the Executive on 5 November 2012 set out the projected and incurred expenditure relating to the development of a Local Plan for Welborne. These figures are shown in the table below.

WELBORNE PROJECT COSTS					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Staff and running costs	30,100	142,000	184,700	264,950	258,700
Evidence base and supporting costs	29,200	191,300	334,000	251,900	78,600
Total Costs	59,300	333,300	518,700	516,850	337,300
Project Based External Funding received	-100,000	-180,000	-	-	-
Costs Less Income	-40,700	153,300	518,700	516,850	337,300
Total Overall Net Project costs at end of 2014/15					1,485,450

PROGRESSION OF PLAN AND ASSOCIATED REVISED COSTS

2. Subsequent to these figures being prepared, a draft of the Welborne Plan was prepared and underwent public consultation. It is now moving towards the formal Pre Submission Plan stage and will be subject to public examination during the summer 2014.
3. The projected expenditure for 2013/14 has been now been revised to reflect additional consultancy work which has been necessary to support the evidence base for the Welborne Plan. This technical work was previously identified as potentially being

needed to be undertaken. However, both the scope and depth of the work required have remained uncertain due to on-going discussions with a number of key parties including the statutory agencies and the main landowners. The scope of technical work is also being informed by the success or otherwise of other Local Plans going through the same process as the experience of operating under the new planning context of the National Planning Policy Framework is becoming apparent.

4. The final phase of technical work taking the Plan up to the Pre- Submission stage includes finalising the Masterplan, plus associated updates on transport strategy, green infrastructure, economy and sports provision. Other technical work required includes a study on noise levels adjacent to the M27 motorway and investigation into the feasibility of Combined Heat and Power and Code for Sustainable Homes. This programme of technical work will enable the Council to address many of the issues arising from the review of consultation responses to the Draft Welborne Plan. Additionally, a Design Review of the draft masterplan has also been undertaken by the South East Design Panel to independently assess the proposals. The total cost is estimated at £168,000.

5. Although not part of the evidence base for the Welborne Plan, a Design Code for development at Welborne is being prepared. This was subject of a separate Executive Decision in January 2013, and the projected cost of preparing the Design Code of £25,000 has been included in the figures.

UPDATED WELBORNE PROJECT COSTS					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Staff and running costs	27,402	128,526	199,683	284,100	287,100
Evidence base and supporting costs	82,034	194,611	319,649	464,300	78,600
Total Costs	109,436	323,137	519,332	748,400	365,700
Total Overall Project costs at end of 2014/15					2,066,005

WELBORNE PROJECT FUNDING STREAMS					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Eco Town Funding	100,000	-	-	-	-
Planning/Housing Delivery Grant	9,436	143,137	519,332	496,800	-
Homes and Communities Association (HCA)	-	150,000	-	-	-
Partnership for Urban South Hampshire (PUSH)	-	30,000	-	-	-
New Homes Bonus	-	-	-	240,100	365,700
Total Costs	109,436	323,137	519,332	748,400	365,700
Total Overall Project funding at end of 2014/15					2,066,005

RISK ASSESSMENT

6. The adoption of planning policy to guide the development of Welborne is integral to achieving Council and community aspirations. Providing this certainty through the planning process will assist in providing a basis for the long term on which to ensure and achieve timely infrastructure provision.

FINANCIAL IMPLICATIONS

7. The costs of preparing the Welborne Plan will be predominantly funded from the Housing and Planning Delivery Grant reserve. Additional funding from the New Homes Bonus has been added for 2013/14. Other funding has been received from the Homes and Communities Agency and PUSH during 2011/12.

CONCLUSION

8. That the Executive notes the proposed expenditure relating to the production of the Welborne Plan providing planning policy to guide the development of the new settlement. The adoption of the Welborne Plan will provide the means of ensuring that the Council achieves its ambitions for Welborne including the timely provision of infrastructure and provision of suitable housing to meet local housing needs.

Reference Papers: None