

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 April 2014

Portfolio:	Planning and Development
Subject:	Welborne Quarterly Financial Update
Report of:	Director of Planning and Development
Strategy/Policy:	Fareham Local Plan
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. Some costs have risen since the previous update as a result of additional work required to bring forward the Welborne Plan and provide an agreed basis for delivering the new community.

The Council has received confirmation of the approval of a bid to the Department of Communities and Local Government (DCLG) for Capacity Funding to assist with the planning and delivery of Welborne. Funding has been received for 2013/14, with potentially a further amount in 2014/15.

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, Capacity Funding secured from Department for Communities and Local Government and New Homes Bonus.

Appendices: None.

Background papers: Report to the Executive on 2 December 2013 - Preparation of Welborne Plan: Quarterly Financial Update.
Report to the Executive on 2 September 2013 - Preparation of Welborne Plan: Quarterly Financial Update.
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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Executive Briefing Paper

Date: 07 April 2014

Subject: Welborne Quarterly Financial Update

Briefing by: Director of Planning and Development

Portfolio: Planning and Development

INTRODUCTION

1. A report to the Executive on 2 December 2013 set out the quarterly update report on the projected and incurred expenditure relating to the development of a Local Plan for Welborne. These figures are set out in the table below.

WELBORNE PROJECT COSTS – DECEMBER 2013					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Staff and running costs	27,402	128,526	199,683	252,800	257,900
Evidence base and supporting costs	82,034	194,611	319,649	474,700	78,600
Total Costs	109,436	323,137	519,332	727,500	336,500
Total Overall Project costs at end of 2014/15					2,015,905

PROGRESSION OF WELBORNE PLAN AND ASSOCIATED COSTS

2. The Publication Draft Welborne Plan was presented to the Executive and Council in February 2014 and has now been published for a period of public representations.
3. Subsequent to these figures being prepared significant further work has been undertaken. Substantial engagement with key parties including the major landowners, statutory agencies has been supported by ongoing technical work including additional consultancy work.
4. Arising from this has been the need for additional work on masterplanning, transport and viability advice to support ongoing considerations of the delivery of Welborne. This is required to support the delivery of Welborne in accordance with the timetable set out in the Publication Draft Welborne Plan. Additional consultancy costs of some £80,000 have been incurred in 2013/14. This has resulted in an increase in the evidence base

and supporting costs from £474,000 to £554,000 for 2013/14.

5. It is likely that the estimate for consultancy costs for 2014/15 will increase, due to increased consultancy fees to support the Examination of the Welborne Plan and further measures to support delivery on the ground. The scope of any additional work will only become apparent over the coming months following the period of representations to the Plan, therefore it has not been possible to quantify any likely increase in costs at the present time and the estimate for evidence base and supporting costs for 2014/15 remains unchanged at £78,600.
6. During early 2014 staff headcount has fallen within the Welborne team. However, staff capacity will need to be secured to take the project through to Examination, and for that reason the staff costs for 2014/15 remain unchanged for now. It is anticipated that any reduction in staff costs for 2014/15 will offset the potential increases in consultancy fees. Once the scope of any savings and additional work is known this will be reflected in subsequent financial updates.
7. The updated costs relating to the development of the Welborne Plan are set out in the table below.

UPDATED WELBORNE PROJECT COSTS – April 2014					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Staff and running costs	27,402	128,526	199,683	252,800	257,900
Evidence base and supporting costs	82,034	194,611	319,649	554,704	78,600
Total Costs	109,436	323,137	519,332	807,504	336,500
Total Overall Project costs at end of 2014/15					2,095,909

8. Since the last Update, the Council secured confirmation of approval of a bid to the Department of Communities and Local Government (CLG) for Capacity Funding to assist with the planning and delivery of Welborne. The payment for 2013/14 for £485,000 has been authorised, with the potential for further funding to follow in 2014/15 subject to Ministerial approval.
9. The updated figures for funding streams relating to the development of the Welborne Plan are set out in the table below.

WELBORNE PLAN FUNDING STREAMS – APRIL 2014					
	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	322,504	174,296
Homes and Communities Association (HCA)	-	150,000	-	-	-
Partnership for Urban South Hampshire (PUSH)	-	30,000	-	-	-
Capacity Funding				485,000	
New Homes Bonus	-	-	-		162,204
Total Costs	109,436	323,137	519,332	807,504	336,500
Total Overall Project funding at end of 2014/15					2,095,909

10. In general terms, funding for the Welborne project is met first through grant received to support the delivery of the new community, then from the remainder of Housing and Planning Delivery Grant previously received by the Council. Finally, any shortfall can be met by New Homes Bonus previously received from the Government.
11. It should be noted that there is the potential for further Capacity Funding to be secured for 2014/15 to support the delivery of Welborne. The initial indication from CLG is that £375,000 may be available for 2014/15, though the Council is currently in discussion with CLG about the availability of further support. The outcomes of this will be reported in future updates.

RISK ASSESSMENT

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

FINANCIAL IMPLICATIONS

13. The costs of the Welborne Plan have been predominantly funded from the Housing and Planning Delivery Grant reserve which has been set aside for studies relating to the project and other Action Plan projects. This has now been supplemented by Capacity Funding for 2013/14, with the potential for further funding for 2014/15. Since 2004/5 the Council has received over £3 million of funding through Planning Delivery Grant, Housing and Planning Delivery Grant and Capacity Funding.
14. The confirmation of the approval of the Capacity Funding bid submitted to CLG (as referred to in paragraph 8) means that the amount of Housing and Planning Delivery Grant that will need to be used in 2013/14 is significantly reduced, and removes the

need to call on funding from the New Homes Bonus for that year. If Capacity Funding is received for 2014/15 this will also reduce the amounts of Housing and Planning Delivery Grant and New Homes Bonus required.

CONCLUSION

15. It is recommended 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 housing to meet local housing needs.

Reference Papers: None