

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 October 2014

Portfolio: Planning and Development
Subject: **Welborne 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.

The Council has received significant Large Sites Capacity Funding from the Department of Communities and Local Government (DCLG) to assist with the planning and delivery of Welborne. The Council is in continued dialogue with DCLG in relation to opportunities for further capacity funding for 2014/15.

Recommendation:

That the Executive notes the 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 Executive on 7 April 2014 – Welborne Quarterly Financial Update

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 06 October 2014

Subject: Welborne Financial Update

Briefing by: Director of Planning and Development

Portfolio: Planning and Development

INTRODUCTION

1. A report to the Executive on 7 April 2014 set out a financial 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 – 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

PROGRESSION OF WELBORNE PLAN AND ASSOCIATED COSTS

2. Since the last financial report the evidence base has been finalised for the submission of the Welborne Plan. This has also included additional work to support the production of associated documents, such as the Welborne Planning Obligations and Affordable Housing and Design Guidance Supplementary Planning Documents.
3. The Publication Draft Welborne Plan has now been submitted to the Secretary of State. Arrangements for an independent Examination have now been made, including the production of various document for the hearings sessions.
4. Since the finalisation of the figures for 2013/14 and progress of the project since then, there have been a number of changes to the project costs.

5. The projected **Staff and Running Costs** for 2014/15 have reduced significantly, in line with a reduction in the number of staff working on the project.
6. The reduction in staff has led to the resource being met by the use of **Consultancy staff support**. This expenditure was anticipated and reported in the April 2014 Update, and has been set out separately in the table below for clarity.
7. The April 2014 update noted that the consultancy costs for 2014/15 would increase, and that it would only be possible to quantify any likely increase in costs until after the period of representations on the draft Welborne Plan. Since then, the Welborne Plan has been submitted for Examination and the Council now has estimated costs for additional items such as the Planning Inspectorate and the Examination Programme Officer. This has led to an increase in the **Evidence Base and Supporting Costs**. In addition, some expenditure on this had been deferred from 2013/14, leading to a decrease in the actual spend in that year and an increase in 2014/15.
8. The full updated costs for the Welborne Plan are set out in the table below. Overall, the impact of the various updates on the total overall project costs has been relatively small, with an increase of around £11,500.

UPDATED WELBORNE PROJECT COSTS – OCTOBER 2014					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Staff and running costs	27,402	128,526	199,683	257,247	153,100
Evidence base and supporting costs	82,034	194,611	319,649	465,712	214,800
Consultancy (staff support)	0	0	0	0	64,700
Total Costs	109,436	323,137	519,332	722,959	432,600
Total Overall Project costs at end of 2014/15					2,107,454

9. Since the last update the Council has further dialogue with the Department of Communities and Local Government about securing additional capacity funding and other support during 2014/15. The results of these discussions will be reported in future financial updates.
10. 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 – OCTOBER 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	237,959	258,800
Homes and Communities Agency (HCA)	-	150,000	-	-	-
Partnership for Urban South Hampshire (PUSH)	-	30,000	-	-	-
Capacity Funding				485,000	-
New Homes Bonus	-	-	-		173,800
Total Costs	109,436	323,137	519,332	722,959	432,600
Total Overall Project funding at end of 2014/15					2,107,454

11. Funding for the Welborne project is met first through the Housing and Planning Delivery Grant previously received by the Council. The balance will be met by New Homes Bonus previously received from the Government.
12. As noted previously, the Council has received significant Large Sites Capacity Funding from the Department of Communities and Local Government (DCLG) to assist with the planning and delivery of Welborne. The Council is in continued dialogue with DCLG in relation to opportunities for further capacity funding for 2014/15.
13. There are no significant risk considerations in relation to this report.

FINANCIAL IMPLICATIONS

14. 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, with the remainder being funded by the DCLG Capacity Fund. If a further allocation of DCLG Capacity Funding is received this will reduce the amount of funding required to be met from the Housing and Planning Delivery Grant and would remove the need to call on funding from the New Homes Bonus.

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 community. The adoption of the Welborne Plan will provide the means of ensuring that the Council achieves its ambitions for the new community including the timely provision of infrastructure and provision of housing to meet local housing needs.

Reference Papers: None