

HAVANT BOROUGH COUNCIL

Meeting

Date

CABINET

Wed 24 October 2018

OPPORTUNITY HAVANT: DRAFT REGENERATION STRATEGY
Head of Regeneration (South)

FOR RECOMMENDATION TO COUNCIL

Portfolio: Cabinet Lead for Finance and Regeneration Cllr T Pike

Executive Director: James Hassett

Key Decision: No

1.0 Purpose of Report

- To present the ***Opportunity Havant*** draft Regeneration Strategy for the Borough for adoption by the Council.
- To set out progress and next steps relating to the delivery of the Council's Regeneration Programme for the Council to note.

2.0 Recommendations

THAT Cabinet RECOMMENDS to full Council that:

- 2.1 the ***Opportunity Havant*** Regeneration Strategy for Havant Borough 2018-2036 (attached at Appendix A) be approved and adopted; and
- 2.2 subject to 2.1 above, the Council notes the prioritisation and phasing of the initial projects set out in the accompanying exempt Regeneration Programme Report. These projects are prioritised on the basis that:
 - They have potential for the generation of income that can be re-invested in the delivery of other projects within the Regeneration Programme
 - They are on land owned by the Council
 - They are allocated/identified in the Adopted and the emerging Local Plan
 - They attract external grant funding
 - There are no significant barriers to development and therefore are potential quick wins

Executive Summary

3.0 Approval of the **OPPORTUNITY HAVANT** Regeneration Strategy 2018-2036

- 3.1 The regeneration of Havant Borough is a key priority for the Council. The attached **Opportunity Havant** Regeneration Strategy 2018-2036 (Appendix A) sets out the economic case and opportunities for regeneration in Havant Borough. It highlights the key areas where direct targeted intervention will have the greatest impact and states what the Council will do over the next eighteen years to deliver regeneration - including governance, funding and resourcing.
- 3.2 The Regeneration Programme (Separate Confidential Report) then sets out the actions (including approvals, funding and project planning) that will be required to facilitate the delivery of phase 1 from 2018 to 2024.
- 3.3 The Strategy identifies the difficult economic conditions that have resulted in a lack of private development investment in the area. It makes the case that the Council will need to take a commercial interventionist approach if it wishes to drive regeneration, meet the demand for housing and employment development and safeguard the local economy.
- 3.4 The Strategy identifies five key Regeneration Areas that the Council has the potential to either deliver directly or drive forward with partners to deliver the regeneration objectives. The Regeneration Areas are:
- **Havant Town Centre** (including the Civic Campus)
 - **Havant Strategic Employment Sites** (Brockhampton West, Langstone Technology Park & Dunsbury Park)
 - **Hayling Island Seafront** (West Beach, Beachlands, Eaststoke, Southwood Road, Ferry Point & improved access)
 - **Leigh Park Centre**
 - **Waterlooville Town Centre**
- 3.5 The Strategy proposes the development of a suite of capital development projects known as the Regeneration Programme that will be focussed on delivering the strategic objectives.
- 3.6 The Regeneration Programme has been developed separately and will be managed through the Executive Board.

- 3.7 Individual projects will be brought to Members for approval in line with the Council's Constitution.
- 3.8 Regeneration Programme is prioritised into three phases:
- **Phase 1** (2018-2023) - Quick wins, sites entirely in HBC ownership & opportunities for income generation
 - **Phase 2** (2023-2028) – More complex longer term projects
 - **Phase 3** (2028-2033) – Aspirational projects that are more challenging, or where market conditions are less favourable
- If opportunities arise on sites outside the phasing criteria that add value to the regeneration of the borough then individual business cases will be developed and cases considered on their merits.
- 3.9 The Regeneration Strategy sets out the governance structure, processes and decision-making tools as well as a funding structure, staff and other resources that will need to be established in order to deliver the Council's regeneration objectives.
- 3.10 The funding of development projects within the strategy is interlinked. The Council's financial position means that it is crucial to generate a capital receipt as soon as possible to re-invest in the ongoing regeneration programme. The aim being to reduce the MTFS financial burden on the council and minimise exposure to risk.
- 3.11 Subsequent detailed project plans and business cases will set out where up-front funding will be required to progress projects. It will suggest how this funding will be secured (in line with the CFO and MTFS). It will then demonstrate how investment will be recouped and how cash-flow will be managed across the programme.

4.0 Additional Budgetary Implications

- 4.1 A key principle of the Opportunity Havant Regeneration Strategy is that interventions will require upfront expenditure. This will be recouped through a mixture of capital re-sales, lettings and revenue generating projects. Projects will be prioritised that have the potential to generate income. This will then be reinvested to fund subsequent projects within the Regeneration Programme. There may be a requirement to utilise short-term Prudential Code borrowing from PWLB to manage cash flow. The financial modelling of the projects will be fundamental to the programme and will need dedicated resourcing. The financial management will be conducted in line with the Treasury

Management Strategy and the MTFS. This will be done in consultation with the Chief Finance Officer.

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s

- 5.1 The current Corporate Strategy 2017-2022 (approved July 2107) promotes the borough's regeneration throughout. Regeneration projects are key to achieving the strategy as highlighted by a *Focus our project structures on our ambitious regeneration and financial targets and Adopting a rigorous, commercial and evidence-based approach to evaluating projects and new initiatives, while maintaining our key ethos of social responsibility and democratic accountability*
- 5.2 The Corporate Strategy confirms that it 'complements our Local Plan'. The regeneration programme is fully aligned with the existing and emerging Local Plans.
- 5.3 There are now references in the Corporate Business Plans (2018 -2019) to the regeneration projects, particularly in the Operations and Place Shaping Directorate as this agenda has gained importance. The Business Plans for 2019 -2020 will need to consider how every team in every directorate will contribute to the regeneration programme as it will need to become a core function for every team.

6.0 Options considered and reasons for the recommendation

- 6.1 The alternative option to the above is for the council to leave the regeneration of the Borough to market forces. Historically this has led to a lack of investment in the Borough. The Council has stated its intent to take an interventionist approach and directly invest in a commercial way to drive regeneration.
- 6.2 In relation to the potential sites in Council ownership, the Council has the option of doing nothing. This would reduce the financial risk to the Council, but would not follow through on existing Local Plan allocation and be a missed opportunity to utilise Council property assets in a way that provides regeneration and provides a commercial return to the Council.

7.0 Resource Implications

- 7.1 **Financial Implications:** A capital budget of £500,000 was retained for regeneration. It is requested that access to this budget be made available for upfront revenue spend in 2018/19. (To be developed in conjunction with the Chief Finance Officer)

- 7.2 **Human Resources Implications:** Individual business cases for the regeneration programme will require resources and will be detailed in the specific business cases.
- 7.3 **Other Resource Implication:** It is important that staff within the Council get involved in the regeneration programme. Every member of staff impacts on the regeneration of the borough. There will be a need to invest in IT and other project resources. This should be included in the delivery cost as part of the business case.

8.0 Legal Implications

- 8.1 Legal support will be required throughout the regeneration programme. This will often be required urgently and at short notice. This will include conveyancing relating to the acquisition, review of procurement procedures, contract negotiations and the production and negotiation of development agreements.
- 8.2 Where resources are not available in-house, it may be necessary to source external capacity and expertise.

9.0 Risks

- 9.1 The increased risks involved in the Council taking a more interventionist position in the regeneration of the borough must be balanced with not being involved undermining the future prosperity of the borough. Certainly, development carries risks in terms of increasing build costs and a reliance on the wider market to achieve expected sales values. With the right expertise and development partner arrangement these risks can be minimised.
- 9.2 A reliance on the market has not delivered any change in the borough, we have seen the same sorts of housing development occur that have always been the case. The Council's Local Plan relies on a change in housing delivery to achieve the 1,600 new homes in the regeneration areas through high density developments rather than the traditional 2-3 bed family homes. Demonstrating that the Council is behind the regeneration is powerful evidence that will be essential in achieving a sound local plan.

10 Consultation

- 10.1 The regeneration projects are all identified in the emerging Local Plan, which is subject to a full public consultation programme. The Local Plan is at a relatively high level and therefore when detailed proposals emerge for the individual projects then additional consultation will be planned. If and when any planning

application is made, then that is subject to statutory public consultation.

- 10.2 Consultations with councillors will be central to the programme as members are the representatives of the communities. An initial Councillor workshop was held on 17 July 2018, most recently on 8 October and further events will be programmed for the projects as they progress.
- 10.3 Havant Borough has a significant number of businesses ranging from global companies to sole traders. It is important that the Council works to develop partnerships with business and collaborate to use all our resources to focus on making Havant successful for everyone. A focus on building business relationships will be put in place.

11 Communication

- 11.1 Communication is crucial for the regeneration programme. This will need to be integrated into the communications and marketing team's work programme to provide support, using the normal council media methods and increasingly social media to access the full demographic of the borough.
- 11.2 Marketing of the regeneration programme will be within the borough alongside a national/regional marketing campaign. Attracting London investors will be a key element in changing the future of the borough. International investment will also be sought. The Department for International Trade visited the borough on 18 June and it is proposed to use their site profile templates and develop a relationship with them to use their free service to promote the larger scale opportunities in the borough. The use of external support will be important to broaden the borough's profile and this again may require specialist support to be commissioned.

Appendix A: Opportunity Havant: Draft Regeneration Strategy

Background Papers:

[Havant Corporate Strategy 2017 -2022](#)

[Havant Local Plan](#)

Agreed and signed off by:

Monitoring Officer: 19 October 2018

S151 Officer: 8 October 2018

Director: 8 October 2018
Portfolio Holder: 8 October 2018

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