
PART EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

2 March 2022

Havant Town Centre Regeneration – Priority Projects

FOR DECISION

Portfolio Holder: Cllr Tim Pike, Cabinet Lead for Regeneration & Estates

Key Decision: YES

Report Number: HBC/433/22

1 Purpose

- 1.1 In September 2021, Cabinet approved the progression of three priority projects, forming part of a programme of work to regenerate Havant Town Centre.
- 1.2 This report is submitted to Cabinet to note the progress made and to approve a series of recommendations in respect of next steps.

2 Recommendation

- 2.1 Cabinet is recommended to
 - 2.1.1 To note the updates set out in this paper in respect of the three priority projects.
 - 2.1.2 Approve the development of a full Business Case for the Plaza East car park to be brought back to Cabinet for approval.
 - 2.1.3 Approve the outline Business Case for Bulbeck Road car park and to agree to the development of a full business case, subject to available funding.
 - 2.1.4 Approve the Havant Town Centre Access & Public Realm package and agree to the progression of the priority projects, including Havant Park, subject to available funding.
 - 2.1.5 Approve the development and in accordance with the appropriate delegations and subject to availability of funding and resources, the submission of a round two Levelling Up Fund bid.

3 Executive Summary

- 3.1 In September 2021, Cabinet approved the progression of three priority projects, forming part of the programme of work to regenerate Havant Town Centre. This work has been progressed in parallel with the refresh of the Regeneration & Economy Strategy, which identifies Havant Town Centre as a priority regeneration area.
- 3.2 This paper provides an update on those projects and sets out a series of recommendations in respect of the next steps, which will enable the work to progress towards delivery at pace.
- 3.3 For Plaza East, the paper presents the outcome of recent updated masterplanning and viability work that has been undertaken to determine an optimum scheme for the site. The paper is recommending the development of a full Business Case to be agreed by Cabinet. It is considered that this scheme can be delivered as an early phase of a more comprehensive scheme for the wider Plaza campus, acting as a catalytic project, creating market confidence and forming a key deliverable of a town-wide programme of regeneration activity.
- 3.4 For Bulbeck Road car park, a Strategic Outline Business Case is presented to Cabinet for approval. The business case demonstrates there is a strong strategic case for change. The site has potential to contribute to the delivery of the Council's own and wider strategies, is deliverable in that it is within the Council's ownership and has potential to contribute to housing delivery targets. Viability however remains a challenge and it is recommended that further work is carried out to develop a detailed Full Business Case, which would enable the project to be developed to a level where it is capable of being given final approval. Work required to support the Full Business Case would include more detailed work on viability, design, planning and delivery options. As part of this, external funding support either from Homes England or other public agencies will be sought to address any likely future viability gaps. A detailed Full Business Case will be brought back to Cabinet to make a decision to proceed with any further investment and to agree a delivery approach.
- 3.5 Alongside this, a package of access & public realm projects has been developed to support delivery of the wider regeneration plans for Havant Town Centre. Improvements to the public realm and the creation of a network of active travel routes, along with sustainable transport and wider infrastructure improvements will form a key part of the transformation of the town centre. This paper proposes a Public Realm & Access package with a set of proposed priority projects based on deliverability, strategic fit and benefits. Cabinet approval on the package is sought along with approval to progress the projects in accordance with the agreed priorities.
- 3.6 In early February 2022, the government announced its Levelling Up plan to transform the UK by spreading opportunity and prosperity to all parts of the UK. The plan is underpinned by 12 national missions which will form part of a

new Levelling Up and Regeneration Bill. Subject to the announcement of specific bidding criteria and the availability of funding and resources, the Council will develop a round two Levelling Up Fund submission to government. It is anticipated the government guidance will be issued in late Spring 2022 with a submission deadline of early Autumn 2022. Officers will be reviewing and building on the positive feedback received from government on the round one LUF submission to developing a robust and evidenced based submission that is founded on an up to date community and resident engagement programme.

4 Additional Budgetary Implications

- 4.1 None directly arising from this report. All work will be done within existing budgets or with the benefit of external funding. Where additional funding is required, this will be the subject of separate business cases brought to Cabinet for consideration and approval.
- 4.2 As part of the project documentation for each project above, a budget plan will be produced. As the projects are refined, the work will be scoped further to give a more accurate picture of potential costs and budget requirements.
- 4.3 Budgets will be monitored closely to ensure there is sufficient funding and where required, the work will be phased and appropriate programme management arrangements will be in place to ensure it can be delivered within the approved budgets.

5 Background and relationship to Corporate Strategy and/or Business Plans

Background

Plaza East

- 5.1 The Plaza East project relates to the car park site on the Plaza campus. Work to secure a development partner had previously been undertaken, by way of an OJEU compliant procurement process. However, due to a significant viability gap and the withdrawal of Homes England funding as a result of pressures arising from the Covid pandemic, procurement was formally closed in early 2021.
- 5.2 Homes England remain an active and supportive partner and in April 2021, awarded the Borough Council around £180k of capacity funding to enable the scheme to be progressed.
- 5.3 While the terms of the Homes England original grant offer from January 2019 mean that the funding of circa £3.36m capital funding from the Local Authority Accelerated Construction Programme (LAAC) is no longer available, on-going positive discussions have been held with Homes England on future funding

programmes that could provide alternative grant support and the Council will be actively pursuing those opportunities to secure further funding.

- 5.4 With the benefit of the additional Homes England capacity funding, further work has now been done both to look at concept design options for the site and the associated development viability, with a view to establishing an optimum scheme that achieves the project objectives. As part of this, consideration has been given to a concept masterplan for the wider Civic Plaza campus, including opportunities in future phases to include the wider Public Estate and Leisure Centre sites. It is important that any decision made to progress the Plaza East site are made with a view to delivery of options for the wider campus site.
- 5.5 That work has concluded that there is scope for a project to be delivered for Plaza East as a first phase of a more comprehensive scheme for the plaza campus. The scheme could provide for up to 166 high quality homes, set in a well-designed and landscaped setting providing additional pedestrian and cycle connectivity to the Town Centre. Appendix 1 sets out a summary of the concept masterplan work and indicative scheme for the Plaza East site.
- 5.6 Appendix 2 (exempt) contains a summary of the viability work undertaken. It is anticipated that a viability gap is likely to remain. However, with the benefit of securing further public sector funding, Cabinet are advised that there is still scope to progress work to secure a development partner with a view to achieving a viable scheme.
- 5.7 There are a number of options available, which will enable the phase 1 site (central car park) to be brought forward in isolation. However, detailed consideration should be given to future parking requirements relating to occupancy of the Plaza building, the wider public estate and public provision. The viability, along with some sensitivity analysis for those options are set out in appendix 2.
- 5.8 Delivery of this phase of the scheme will deliver much needed homes, create investor confidence to help unlock other town centre schemes and act as a catalytic project as part of a broader town-wide programme of regeneration activity.
- 5.9 Funding and resources will be required to procure a development partner. It is recommended that a full Business Case and financial risk assessment is completed before proceeding. Cabinet approval is sought only on the basis that sufficient external funding is secured to enable this to be progressed within existing resources.

Bulbeck Road car park

- 5.10 Bulbeck Road car park was acquired by the Council as part of the £4.1m purchase of the Meridian Shopping Centre in 2019. The multi-storey car park provides 400 spaces and is adjacent to Park Road South, connecting to the

main town centre retail area along West Street. The site occupies 0.58ha and dominates an attractive conservation area.

- 5.11 In September 2021, Cabinet approved the development of a Strategic Outline Business Case for the car park site with a view to considering redevelopment options and simultaneously approved the preparation and submission of an outline planning application, as appropriate.
- 5.12 It was agreed that the business case would be brought back to Cabinet for consideration and approval. That Strategic Outline Business Case, which has been produced in accordance with Green Book Treasury principles, can be found in appendix 3.
- 5.13 In summary, the business case demonstrates;
- That there is a compelling case for change and a clear justification for the project in terms of supporting the delivery of the council's own and wider strategies;
 - There is a viability challenge, which will need to be addressed through adapting the mix and configuration of the scheme and identifying external funding support, including discussions with Homes England, for the demolition of the site;
 - As the site is owned by the council, there is a compelling case for early redevelopment of the site to meet core regeneration objectives for Havant Town Centre;
 - From an assessment of options, residential development for the site can be identified as the most appropriate use; and
 - There is a range of delivery options that can be considered, which meet the regeneration objectives for the site.
- 5.14 As part of that business case, some initial outline work on concept design and viability has been undertaken. It is proposed that a residential scheme could deliver around 91 housing units as shown in appendix 4. However, initial viability work (appendix 5 – exempt) suggests viability remains challenge and further work will be required to test the market and explore delivery models. Further technical work is also required to assess viability with regards to the housing mix, including opportunities to provide affordable housing, delivery different housing products and explore the potential for longer term revenue opportunities for the Council.
- 5.15 Given a potential viability gap, there is also a need to review external funding opportunities, including exploring the involvement of Homes England in helping progress the scheme. Early conversations with Homes England are positive, but if the Council wishes to progress a scheme, this would need to be formalised by way of a bid and the preparation of a full business case.
- 5.16 In parallel, work has also been undertaken to scope a potential outline planning application. A number of planning considerations have been

identified, including flood risk, heritage/proximity to listed buildings, transport & highways issues and local resident consultation. Parking provision and impact on the wider provision of parking in the town centre would also be a consideration. These would all need to be considered in detail and supporting work undertaken prior to an outline planning application being submitted. If the Council itself was to be an applicant, it would rightly need to follow normal and due process as per any applicant and it has been advised to enter into formal pre-application discussions prior to any submission.

- 5.17 The Council securing outline planning consent would help de-risk the scheme to an extent and therefore is likely to add value and/or make the scheme more attractive to a private developer. As such, there may be merit in pursuing this approach, however Cabinet are advised there will be considerable work required to get to this stage and associated costs, therefore it is recommended in the first instance a more detailed full business case is developed, supported by some further technical work, market testing and consideration of delivery options, both for this site and as part of a wider town centre delivery package.

Access & Public realm

- 5.18 Alongside work to progress Plaza East and Bulbeck Road, a package of access & public realm projects has also been developed. These are designed to complement and support delivery of the wider regeneration plans for Havant Town Centre.
- 5.19 Improvements to the public realm will form a key part of the transformation to the town centre, creating a high quality and attractive environment for existing residents, businesses and for potential investors. The promotion of active travel routes and enhancements to other sustainable transport solutions including bus and rail travel, will also be vitally important as a contributory measure to reduce car-based travel.
- 5.20 Appendix 6 sets out the public realm and active travel projects that are currently underway or in the pipeline in and around Havant town centre. It can be seen that of the 11 projects (eight active travel, two combined active travel and public realm and one public realm) that an initial estimate of timescale for delivery is set out together with an initial ranking based on deliverability within the council's authority (i.e., ownership and complexity of organisation and collaboration required for delivery) and funding. Whilst there are four projects that are funded and progressing well – AT1 phase 1 National Cycle Network (NCN) 22 Petersfield Road; AT2 Elmleigh Road; AT4/PR1 Phase 1 Station forecourt and AT7 Park Road South, these are primarily Hampshire County Council (HCC) led schemes, where HBC is providing varying levels of input. These projects are funded and will be delivered; therefore, no new decision is required other than to continue to give them full council support and officers continue to plan for their integration with other related and complementary projects.

- 5.21 There are four projects where HBC is collaborating with HCC to develop them, but they are currently unfunded. AT1 NCN 22 link to NCN 2; AT3 Havant Station Footbridge; AT8 A27 underpass and AT9 Hayling Billy Trail Route options. Each of these are critically important to the whole regeneration programme albeit they require further work as part of longer term project delivery.
- 5.22 The projects on which HBC can influence more directly are those that we have been formally progressing with external organisations and/or are wholly within the ownership of HBC and include AT5 Havant Park and AT6 Warblington footbridge. These projects will also provide an opportunity, and indeed require, collaborative working with other infrastructure providers including Hampshire County Council, Network Rail and South Western Railway.
- 5.23 **Havant Park:** Located in the heart of the town centre and a vital part of the regeneration plans, the park provides a valuable community and recreation asset. The Civil Engineering & Landscape Team (CELT) have drafted a feasibility study which formed part of the work to accompany the Levelling Up Fund bid submitted earlier this year. The study envisages the park offering a modern high quality facility that maximises its potential. The current draft study, following initial stakeholder comments, is attached at Appendix 7 and it is requested that Cabinet note the current draft and approval the progression of further design work and to undertake further community and stakeholder engagement as part of developing a business case to fund the proposals.
- 5.24 **Warblington footbridge:** This project has been the subject of a separate Cabinet approval process in December 2021. Co-ordinating its progress with the access and public realm aspect of Havant Town Centre regeneration offers an opportunity to boost accessibility and active travel to the town centre. The local benefits of a new footbridge include improved access to Warblington school and enhancing a key cycle route, NCN 2. This project has been led by CELT who have been collaborating with Network Rail over the last couple of years to secure GRIP 2 approval of the options for a new bridge. The GRIP process has been productive and a positive working relationship developed which will enable the GRIP 3 and 4 stages to be pursued at pace. Significant resource and effort has been put into this work and at this stage it appears that the bridge can be delivered, subject to securing the final funding gap, currently approximately £800,000.
- 5.25 In summary it is recommended that the key infrastructure package projects that are taken forward by officers are:
- i. AT1 National Cycle Network (NCN)22 – Petersfield Road – Phase 1 implementation
 - ii. AT2 Elmleigh Rd LTN1/20 scheme – Design and implementation
 - iii. AT4 / PR 1 – Havant Station Forecourt – Phase 1 implementation
 - iv. AT 5 / PR2 – Havant Park – Design, engagement and funding options for implementation

- v. AT9 - Hayling Billy Trail (HBT) - Route Options – Further design development and funding options for implementation

Relationship to strategy

- 5.26 The development of the Strategy, Delivery Programme and various projects set out in this paper align strongly with all themes as set out in Corporate Strategy 2022-25:
- **Theme 1 - An environmentally aware and cleaner Borough:** the Strategy will align to aspirations for a cleaner, greener borough with projects targeting low or zero carbon where appropriate.
 - **Theme 2 - A safe environment, healthier and more active residents:** the Strategy, programme and projects will seek to create places that are safe, encourage healthy and active lifestyles and support positive place-making for residents.
 - **Theme 3 - A thriving local economy:** the Strategy will act as an Economic Strategy for the Council, driving forward economic growth and supporting a thriving and prosperous economy.
 - **Theme 4: A revitalised borough with infrastructure that meets our ambitions** – the Strategy, programme and projects will seek to deliver infrastructure (either directly or via partners) that will deliver the regeneration aspirations for the Council.
 - **Theme 5: A responsive and commercial Council:** the Strategy will align to the Council's Financial Strategy to create opportunities for income generation and to seek to create self-sustaining places.
 - **Theme 6: A quality home for all:** the project will seek to create and support opportunities for accelerated housing delivery, focussing on both quality and mix to ensure residents needs are met and the regeneration aspirations realised.
- 5.27 In September 2021, Cabinet approved the refresh of the Havant Regeneration Strategy (2018). The refreshed Regeneration Strategy, to be known as the Regeneration & Economy Strategy is being considered by Cabinet and Council in early 2022 and will be shaped around three key strands; Successful People, Sustainable Places and Better Business. In the sustainable places strand, the strategy retains a clear spatial focus on four key priority areas, including Havant Town Centre. The work detailed in this paper forms part of the Havant Town Centre regeneration Programme, which sits within the Borough wide regeneration programme.
- 5.28 The work also aligns closely to and seeks to support delivery of the (existing and emerging) Local Plan. A specific objective of the Havant Town Centre projects will be supporting delivery of key housing sites, as well as supporting delivery of wider planning policies including infrastructure and wider town centre facilities.
- 5.29 Further, this work seeks to directly support the ambitions and priorities set out in the Council's recently adopted Climate Change and Environment Strategy. In terms of Plaza East and Bulbeck car park, the Council will strive to secure

delivery of low carbon schemes, which will directly contribute to the objectives of the strategy and our ambitions for Net Zero carbon emissions. Delivery of the public realm and access projects will create additional green open space, green infrastructure and enhanced active travel routes. As work progresses, other opportunities for aligning to the strategy will be identified, with the potential for additional electric vehicle charging points and other similar initiatives being explored.

6 Options Considered

- 6.1 **Plaza East** – the site could be left ‘as is’ and continue to provide car parking. However, this would not support the objectives of the Regeneration & Economy Strategy or support the housing delivery aspirations as set out in the Local Plan. Opportunities to deliver a first phase of a comprehensive Plaza campus project would be lost. The site could be disposed of by way of a direct sale, but the Council would have limited control over the development and there is little prospect of it generating a capital receipt in that form.
- 6.2 **Bulbeck Road car park** – the site could be left ‘as is’ and continue to provide town centre parking. However, this would not support the objectives of the Regeneration & Economy Strategy or support the housing delivery aspirations as set out in the Local Plan. The site could be disposed of by way of a direct sale, but the Council would have limited control over the development and viability changes with a site where little work has been carried out to ‘de-risk’ it would mean there is little prospect of a capital receipt. Further, the site may become stalled as it might not be deemed attractive to the market in its current form.
- 6.3 **Access & Public realm package** – projects could be identified and progressed in a piecemeal fashion and without a clear sense of priorities. This could give rise to projects being delivered, which may not give rise to the maximum benefit and/or pressures on existing funding streams may arise if not managed in a coordinated way. Opportunities to work strategically with and influence partners and other infrastructure providers would be lost.

7 Resource Implications

Financial Implications

- 7.1 Costs will met by existing staffing budgets or other successful grant funding bids. Where additional specialist support or advice is required, the cost of this will be met within existing budgets or with the benefit of external funding.
- 7.2 Further as the projects are developed, any future costs (capital and revenue) associated with the delivery of those projects will be considered in detail as part of further business cases and any decisions to proceed with those projects will enable the financial implications to be considered in detail by Cabinet or Council, as appropriate.

Section 151 Officer comments

Date: 1st February 2022

There are no additional financial implication as a result of this report. Any proposed further expenditure arising from the current work will be the subject of future reports to members.

Matthew Tiller
Head of Finance (Deputy Section 151 Officer)

Human Resources Implications

- 7.3 The work to deliver and implement the Havant Town Centre regeneration programme will be led by the Head of Regeneration, Economy and Assets. It will be delivered through a flexible resourcing strategy with a combination of in-house by officers and by ongoing consultant support

Information Governance Implications

- 7.4 None arising from this report. Information Governance will be considered at detailed project level and managed appropriately and in accordance with regulations and guidelines.

Links to Shaping our Future Programme

- 7.5 This work forms part of the wider work programme to support the Regeneration & Economy Strategy. The strategy aligns strongly to the Shaping Our Future Programme and will directly support the ambition to transform the Council into a modern, fit for purpose and forward -thinking Local Authority. For Havant Town Centre, the ambition is to make it a vibrant and sustainable place with sustained economic prosperity, with further inward investment and strong partnership working. This directly links to and supports the ambitions set out in the Shaping Our Future Programme.

Shaping our Future Lead comments

Date: 3rd February 2022

Shaping our Future Lead – no additional comments.

Kim Sawyer

Other resource implications

7.6 None.

8 Legal Implications

- 8.1 Approval of the recommendations in this report may require the engagement of external consultants and this will need to be undertaken in accordance with Contract Standing Orders. The consultancy agreement will need to reflect any conditions of the grant funding.
- 8.2 The procurement of a development partner must be undertaken in accordance with Contract Standing Orders and the public procurement regulations.

James Paterson 14th December 2021

Monitoring Officer comments

The recommendations made in this report and the content which underpins them are consistent with the Council's ambitions under its Corporate Strategy.

Other than those appearing above, there are no current legal implications although these may arise and will need to be assessed as proposals develop

(Mark Watkins, Deputy Monitoring Officer 03.02.22)

9 Risks

- 9.1 No significant identified risks directly arising from this report. However, it is recognised that there will inevitably be a series of risks associated with each of the projects and these are likely to fall into the following categories;
- Financial – risk of budget overspend and financial impact on Council.
 - Legal – any legal risks arising from contractual obligations or liabilities.
 - Quality – risks associated with non-delivery of objectives of the programme and lack of quality.
 - Reputational – risk to the Council's in terms of relationships and reputation.
- 9.2 These risks will be identified and considered in detail at project level. Risk registers will be created as part of the programme management documentation and monitored in accordance with best practice to ensure risks are appropriately managed.

10 Consultation

- 10.1 The Cabinet Lead for Regeneration and Estates, Executive Board and wider Cabinet have been consulted on this paper.
- 10.2 Overview & Scrutiny Committee are due to be briefed on the paper as a pre-scrutiny item.
- 10.3 Engagement and consultation has been undertaken with a wide range of key partners and stakeholders, including;
- Homes England
 - Hampshire County Council
 - Solent Local Enterprise Partnership (SLEP)
 - Havant Business Partnership
 - Network Rail/SWR
 - Spring Arts Centre
- 10.4 Moving forward, engagement and consultation will be important to ensure stakeholder buy-in and to get the best outcomes for the local community. As part of the borough wide regeneration programme, a bespoke engagement and consultation approach will be developed for each of the spatial priority areas, including Havant Town Centre. Engagement will be embedded in the new governance and working arrangements as the programmes of work develop.

11 Communication

- 11.1 Communications will remain an important feature of the regeneration programme of work. A variety of methods will be used to keep people updated and communicate key messages, including updates via the programme website (www.havewithhavant.co.uk), social media channels and other methods as appropriate. A Communications Strategy will be developed to support the Regeneration Programme, and this will include the Havant Town Centre programme.

12 Appendices:

- Appendix 1 – Civic Plaza Sketchbook
- Appendix 2 (EXEMPT) – Plaza Viability
- Appendix 3 (EXEMPT) – Bulbeck Road Outline Business Case
- Appendix 4 – Bulbeck Road Sketchbook
- Appendix 5 (EXEMPT) – Bulbeck Road Viability
- Appendix 6 – Access & Public Realm package
- Appendix 7 – Havant Park

13 Background Papers:

Cabinet decision related to approval to refresh the Regeneration Strategy and agreement to progress priority projects.

<https://hcsnew.files.wordpress.com/2021/08/havant-regeneration-programme-update-and-approval-of-next-steps.pdf>

Havant Borough Council Corporate Strategy

<https://cdn.havant.gov.uk/public/documents/Havant%20Borough%20Council%20Corporate%20Strategy%202020-24.pdf>

Havant Borough Council Local Plan

<https://www.havant.gov.uk/local-plan>

Agreed and signed off by:

Monitoring Officer: 03.02.22

S151 Officer: 01.02.22

Director: 19.01.22

Portfolio Holder: 19.01.22

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