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NON-EXEMPT

## HAVANT BOROUGH COUNCIL

CABINET

8 September 2021

### Havant Regeneration Programme – update and approval of next steps (Item 10)

### Recommendations of the Overview and Scrutiny Committee

#### FOR DECISION

Portfolio Holder: Councillor Pike

Key Decision: No

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#### 1. Purpose

This paper is submitted to advise the Cabinet of the outcome of a scrutiny of the Cabinet report “Havant Regeneration Programme – update and approval of next steps” (see Item 10 of the agenda for the Cabinet meeting to be held on 8 September 2021)

#### 2. Recommendation

- 2.1 *that provision of Social Housing for Rent opportunities be laid out in future updates with regards to projects within the Havant Regeneration Programme*

#### Executive Summary

- 3.1 At its meeting held on 24 August 2021, the Overview and Scrutiny Committee considered the recommendations set in the Cabinet Report “Havant Regeneration Programme – update and approval of next steps” (Item 10 of the Cabinet Agenda (8.9.21))
- 3.2 The Committee examined, via a question and answer session with Councillor Pike, the Cabinet Lead, and the relevant officer, the following aspects of the programme:
- Difference between the proposals for the Civic Plaza Site and the scheme originally proposed
  - Budgetary implications
  - The funding plans for the programme

- Fallback position if the level fund does not give funds to the Council
- Impact on car parking provision in the town centre
- How the Viability of the ambition of the strategy given the potential impact of climate change and the vulnerability of the seafront
- The order of priority of elements in the draft strategy because of the potential impact of climate change and the fact that the Council is not in ownership of all the land included in the strategy
- How the programme would encourage the development of private land in the town centre
- Whether the programme included the Council's compensation commitment under the existing lease with Horizon Leisure Trust
- The status of the procurement process for development of Civic Plaza and Bulbeck Road Car Park
- The provision of affordable housing in the Civic Plaza and Bulbeck Road Car Park development sites
- Whether the Council would sale or retain a share of the ownership of the Civic Plaza and Bulbeck Road Car Park development sites

3.3 The Committee considered that details of the housing mix and affordable housing should be provided for the development of the Civic Plaza and Bulbeck Road Car Park development sites.

#### Additional Budgetary Implications

3.1 None arising from this report

### **3. Background and relationship to Corporate Strategy and/or Business Plans**

3.1. As set out in the Cabinet Report (Item 10 of the Agenda)

### **4. Options considered**

5.1 Not applicable

### **5. Resource Implications**

5.1. Financial Implications

None arising from this report

#### **Section 151 Officer comments**

Date: 3 September 2021

No additional financial implications arising from this report

- 6.2 Human Resources Implications  
None arising from this report
- 6.3 Information Governance Implications  
None arising from this report
- 6.4 Links to Shaping our Future Programme  
Not Applicable
- 6.5 Other resource implications  
None arising from this report
- 6.6 Legal Implications  
None arising from this report

**Monitoring Officer comments**

Date: *[insert 6th September 2021]*

Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Looking at decisions before they are made on a “pre-scrutiny basis” (as is the case here) provides an important means to influence and potentially improve those decisions

**Mark Watkins, DMO**

- 7.0 Risks**
- 7.1 *None Arising from this report*
- 8.0 Consultation**
- 8.1 Not Applicable
- 9.0 Communication**
- 9.1 Not Applicable

**Appendices**

None

**Background papers**  
**Cabinet Report (Item 10 of the agenda)**

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## Appendix 1 Havant Regeneration Programme - Outline of progress to date

Workstream	Progress Update	Proposed next steps
<b>General</b>		
Branding and website	Branding and new website launched in in 2019	Continued promotion of branding and increased use of inward investment activities. Website refreshed as part of strategy refresh.
Governance & Partnerships	New internal governance established and reviewed (2020). Partnerships developed with a range of strategy stakeholders.	Governance to be refreshed as part of Strategy refresh. External partnerships to be further developed and formalised in terms of external working arrangements.
<b>Havant Town Centre</b>		
Town Centre Masterplan and video	Complete in 2019 and video launched Feb 2020	Use for inward investment work, to support future funding bids and as an engagement tool
Acquisition of Meridian Centre and Bulbeck Road Car Park	Completed in December 2019	Bring forward Bulbeck Road Car Park for housing and investigate options for Meridian Centre.
Procurement of Civic Plaza development partner	Project closed due to viability gap in Feb 2021	Develop outline business case for wider Civic Plaza Site (Plaza East)
Restoring Your Railways bid to prepare Billy Line for autonomous vehicles	First round – March 2020, Second round application submitted in March 2021	Await decision due summer 2021.
One Public Estate (OPE) Funding	Applied for OPE 8 in December 2020 for governance review and stakeholder engagement for Civic Plaza and town centre.	Decision for OPE 8 delayed by central government, HCC has now received approval and a final decision on Havant element will be taken by HCC shortly.
Homes England Capacity Funding	£180k awarded in June 2021 to support delivery of the town centre regeneration programme.	Funding can be used for a range of activities that will support the delivery of the town centre programme
Soft-Market Testing	Completed April 2021	To be used as evidence for refresh of the strategy and delivery plan
Levelling Up Fund bid	Submitted June 2021	Await decision – expected Autumn 2021
Hayling Billy Trail (HBT) Havant Station to Langstone – crossing & route options	Joint feasibility study with HCC commission of Atkins -due for completion end July2021	Continue to integrate with HCC work on Active Travel, LCWIP, CELT study on Hayling side of HBT and Coastal Partners flood mitigation schemes to ultimately achieve funding.
<b>Strategic Employment Sites</b>		

Disposal of landfill site at Brockhampton West for employment	Completed December 2019 and agreement for capital receipt to be used to progress other sites in the programme received.	Business cases to be put forward to use the capital receipt for further regeneration priorities.
Dunsbury Park Solent Freeport bid – support to Economic Development	Solent Freeport announced in March 2021 Budget.	Continue to work with Economic Development to maximise opportunities from Freeport status.
Strategic employment sites – general	Ongoing engagement with landowners and occupiers of a range of key strategic employment site around inward investment and sector growth.	Continued engagement and supporting development of key sites.
<b>Hayling Island Seafont</b>		
Masterplan – commissioned work by Hemingway, Mace and Fabrik	Hemingway and Mace work consolidated in Fabrik report early 2021.	Work developed as part of Hayling Regeneration Ambition.
Relationship building with Natural England and local businesses	Ongoing – key to understanding duties regarding SSSI. Golf course/fun fair/arcade etc key to unlocking regeneration on the seafont	Continue dialogue with NE. Widen engagement to incorporate more seafont businesses and organisations.
Hayling Billy Trail	CELT Study due for completion October 2021. Wider partnership working with HCC to develop shared plan for enhancement.	Integrate with HCC & Coastal Partners work on LCWIP and flood mitigation schemes and achieve multifunctional and collaborative funding.
Development of a Regeneration Ambition (draft)	Regeneration Ambition document developed for endorsement and public consultation/engagement.	Public engagement/consultation and further development including developing of delivery & phasing plan.
Hayling Seafont Strategy	Ongoing input into wider HBC Hayling Seafont Strategy to align regeneration aspirations with broader Council approach.	Continued input into Strategy development and implementation of first phase projects.
<b>Leigh Park</b>		
Estates Renewal Fund	2018 - £340k secured towards community regeneration in Leigh Park. Commissioned space needs analysis for community centre and some engagement activity with community groups.	Scoping of Leigh Park regeneration proposals to consider best use of funding.
Economies for Healthier Lives Bid - £500k to fund collaborative education/employment work with 16-24 year olds	Expression of Interest submitted - – March 2021 Full application – June 2021 Interview stage – 19 <sup>th</sup> July 2021	Await decision. Potential to apply to other funding streams if unsuccessful.
Havant Thicket Reservoir	Engagement with Portsmouth Water to ensure wider community benefits are realised.	Continue to attend both community and strategic advisory groups to champion employment, education and training

		opportunities for local people as well as wellbeing and leisure benefits.
Dunsbury Freeports	Successful inclusion of Dunbsury site into Solent Freeport bid – scope for skills & employment opportunities linked to Leigh Park regeneration aspirations.	Continued work to support Freeports bid and development of proposals to create skills & employment opportunities for Leigh Park residents.
<b>Waterlooville Town Centre</b>		
Waterlooville Town Centre Masterplan – engagement with Flick Drummond MP	Meetings held throughout 2020	Continue conversation to develop ideas. Potential for a round 2 or 3 Levelling Up bid for Waterlooville.
<b>Strategic Infrastructure</b>		
Havant Infrastructure Investment Plan (Solent LEP funded)	Finalised June 2021	Havant Cabinet consideration and publication as a tool for attracting investment
Gigabit Broadband	Two commercial suppliers (CityFibre, TooB) investing in Havant by installing Fibre Exchanges (FEx)	Council to develop business case for public connections to FEx and wider rollout of connections
Strategic Transport collaboration	Coordination of TCF projects, LCWIP, HBT, Levelling Up bids, Local Plan site, Flood mitigation etc	Ongoing programme of relationship building for the coordination of transport related investments to achieve multifunctional benefits.

## Appendix 2

### Stakeholder Engagement Framework

#### 1 Purpose

- 1.1 This document seeks to establish a framework and set of guiding principles, which Havant Borough Council will adopt in respect to partner, community and stakeholder engagement as it refreshes the Havant Regeneration Strategy and Delivery Programme refresh.
- 1.2 It is intended that this document will be developed and refined and those principles subsequently incorporated into a new Stakeholder Engagement Plan, which will then form part of the new Strategy itself.

#### 2 Introduction

- 2.1 Engagement with local residents, businesses and key stakeholders will be critical to the success of the delivery of the Regeneration Programme.
- 2.2 Engagement is a way to build and sustain relationships between public services, community groups and key partners - helping them both to understand and if necessary, participate and take action.
- 2.3 Communication and engagement activities provide the opportunity to inform, update, engage and consult stakeholders - creating a positive and collaborative working relationship, through effective communications.
- 2.4 Where appropriate, engagement will complement any statutory engagement required as part of the Local Plan process and any planning application processes

#### 3 Guiding principles

- ***Two-way communication and engagement*** - stakeholders have the opportunity to make their views, need and ideas heard while giving the Council the opportunity to do the same.
- ***Clear and consistent messaging*** – ensure messages are clear and consistent in respect of progress and decisions.
- ***Open and transparent*** – providing stakeholders with access to relevant information, while also recognising the need for confidentiality and/or for treating information sensitively, as appropriate.
- ***Approachable*** – building trust and confidence and treating people with respect.

#### 4 Stakeholders



4.1 For the purpose of this work, stakeholders broadly fall into the following groups:

- **Residents** – including community groups e.g. Havant Civic Society
- **Businesses** and business groups/representative, including investors/potential investors.
- **Strategic partners** – e.g. Solent Local Enterprise Partnership, Hampshire County Council
- **Infrastructure organisations** – e.g. South Western Railway, Network Rail, Portsmouth Water.

4.2 The above are provided by way of examples for illustration purposes only and are not exhaustive.

4.3 A full stakeholder mapping exercise will be undertaken.

## 5 Engagement approaches

5.1 Engagement is often used as a broad term to cover a range of different approaches and methods. The following sets out some of the methods that may be used. It also describes some of the key terms used in this document.

- **Briefing** – providing information often in a formal manner
- **Updating** - giving the most recent news or information
- **Informing** - imparting knowledge of a fact or circumstance
- **Engaging** - a 2-way process of interacting and listening for mutual benefit
- **Two-way Dialogue** - exchanging ideas and opinions, project team and stakeholders listen and hear what's being said
- **Consulting**- seeking views and feedback on a proposal for consideration in decision making.
- **Collaborating** - working together to achieve a common purpose
- **Participating** - process of groups or individuals having the opportunity to become actively involved in a project.

## 6 Methods of engagement

6.1 A variety of methods can be used to engage stakeholders, including (but not limited to) meetings (online or physical), surveys, presentations, workshops, updates via website and social media.

6.2 An engagement plan will be developed alongside the stakeholder map.



## Appendix 4 Civic Plaza East – Outline Business Case (Summary)

### Introduction

This annex provides a Summary Outline Business Case commentary for Civic Plaza East in line with the Cabinet approval (February 2021).

The Summary Outline Business Case commentary considers the case for public sector investment and is structured around the MHCLG Business Case Guidance and its 5 interdependent dimensions:

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

Homes England capacity funding will be used to develop the detailed business case as set out below.

### Strategic Case

There remains a strong **Strategic Case** for intervention. The proposed uses and development strategy for Civic Plaza East fits with wider government and local policies and objectives. Development at Civic Plaza will support the delivery of strategic priorities at national, regional and local levels, including meeting a number of core Council Corporate Objectives.

The comprehensive re-development of the site to include the car park, public estate to the south and leisure centre site to the north will be an important catalyst to delivering the wider regeneration of Havant, specifically as most of the estate is in public ownership.

The site is recognised not only as a key site for the regeneration of Havant Town Centre but also as an important site in the delivery of homes, in line with the Local Plan. Future re-development will contribute to a critical mass of regeneration opportunities that collectively has the potential to transform the town's future prospects. Development will make a notable contribution to town centre regeneration, the promotion of civic pride, support wellbeing goals, providing much needed town centre living and enhance quality of life.

The detailed Business Case will:

- Clarify the corporate and business needs for the project;
- The national, regional and local policy background 'refresh'; and
- The strategic objectives and benefits of the project.

## Economic Case

In terms of the **Economic Case**, the project will deliver value to the locality in terms of economic, social and environmental impacts, creating a new neighbourhood, enhanced public services and improved connectivity to the town centre.

Further analysis is being undertaken to around the preferred option, agreed by Cabinet in February 2021, to widen the scope to include the whole site to consider a more comprehensive scheme.

The objective of the economic case will be to understand the relationship between the proposed costs and potential benefits with the explicit purpose of helping inform decision making in relation to the potential investment in the site.

Key decisions in this respect relate to:

- i. The outcome of the One Public Estate programme to review and assess stakeholder attitudes with regards to the including public assets within the development programme; and
- ii. The future of the Havant Leisure Centre, which is considered past its economic life and in need of refurbishment or replacement.

The detailed Outline Business Case will:

- Clarify the critical success factors;
- Shortlisted options and a preferred way forward (taking into consideration timescale and phasing);
- Benefits appraisal;
- Additionality analysis;
- Appraisal summary; and
- Wider benefits

## Commercial Case

The **Commercial Case** considers the delivery model options to structure and undertake the “preferred option”. Clearly, there are a range of options for consideration, which in some respects will be determined by the scale and size of the development envelope.

Options are likely to include:

- Sale of freehold / leasehold interests;
- Sale under lease structure with a sale of the freehold / leasehold deferred;

- Development Partner Joint Venture – via a Development Agreement (DAJV);
- Corporate Partner Joint Venture – via Corporate Structure (CPJV); and
- Direct delivery by Havant Borough Council.

The detailed Outline Business Case will consider the governance and procurement model. In essence, it will evaluate the pros and cons of:

- Self-delivery by HBC;
- Contractual partnership; and
- JV vehicle.

## Financial Case

Havant lies in a strategic position in the south of England with excellent road and rail network; however, it is not a leading investment location and, as demonstrated through the soft market testing, lacks a strong cachet in the development market. The **Financial Case** will assess the financial feasibility and sustainability of the project. Further viability analysis will be undertaken to show the implications on the public sector budget in terms of the total cost of both capital and revenue.

The original Civic Plaza Car Park Redevelopment project was dependent on securing significant gap funding to make the development viable. Future development is likely to be dependent on securing external funding and, at this time, there is uncertainty as to the future funding pots that in the past would have been accessible to support such a development.

The detailed Outline Business Case will:

- Clarify the capital and revenue requirements for the preferred option;
- Consider overall affordability and funding;
- Local authority impact assessment including S106 and affordable housing provision

## Management Case

The Council is directing significant resources to drive forward the comprehensive regeneration of Civic Plaza East. The **Management Case** will set out the programme management arrangements.

The detailed Outline Business Case will:

- Cover governance arrangements (taking into account the outcome of the One Public Estate programme);
- The use of specialist advisors;
- The process of change and contract management;
- Benefits realisation and risk management.

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**PART EXEMPT**

# **HAVANT BOROUGH COUNCIL**

CABINET

8 September 2021

## **Havant Regeneration Programme – update and approval of next steps**

### **FOR DECISION**

Portfolio Holder: Cllr Tim Pike

Key Decision: YES

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Report Number: HBC/011/2021

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## **1 Purpose**

1.1 This paper provides Members with an update on the progress made in respect of the Havant Regeneration Programme, with a specific focus on Havant Town Centre, including the Civic Plaza project. The paper seeks Cabinet approval for a series of recommendations, which will enable this ambitious and important programme of work to progress at pace.

1.2 The report sets out;

- An update on progress made in respect of the Havant Regeneration Strategy, with a recommendation to refresh both the Strategy and Delivery Plan.
- An update on Havant Town Centre regeneration and a recommendation to progress three priority projects.
- An update on the Civic Plaza project (to be known as Civic Plaza East) and a recommendation to approve the outline business case to enable the next stage of more detailed work to be carried out.

## **2 Recommendation**

2.1 Members are recommended:

2.1.1 To note the update on the Havant Regeneration Programme.

2.1.2 To approve the development of a refreshed Regeneration Strategy and updated Delivery Programme.

2.1.3 To note the update on progress made in respect of Havant Town Centre regeneration.

- 2.1.4 To approve the progression of three priority projects;
- (i) development of an outline business case for the Bulbeck Road car park and submission of an outline planning application as appropriate.
  - (ii) detailed work on Civic Plaza East (see recommendation 2.1.6 below)
  - (iii) work to develop a package of access and public realm improvements
- 2.1.5 To note the update on the Civic Plaza Plus project (to be known as Civic Plaza East).
- 2.1.6 To approve the Civic Plaza East outline business case to enable the next stage of the more detailed work to be carried out.

### **3 Executive Summary**

- 3.1 In November 2018, Havant Borough Council approved a new, bold and ambitious Regeneration Strategy. The Strategy set out the Council's regeneration aspirations for the Borough to 2036, in alignment with the Local Plan, Corporate Strategy and Medium-Term Financial Strategy (MTFS).
- 3.2 A new team of officers was formed to lead on delivery of the programme and to work across all Council services to coordinate a whole Council approach, as well as work with external partners and stakeholders.
- 3.3 The Regeneration Strategy was accompanied by a Delivery Plan, which set out a proposed phasing approach as well as identification of early priorities and focus for intervention. While regeneration can take considerable investment of time and resources and tangible progress can often feel slow, significant progress has been made including the acquisition of the Meridian Centre in 2019, disposal of a key employment site and progression of other key priority projects. This paper sets out a summary of progress made to date.
- 3.4 Since the Strategy was adopted, market conditions and opportunities for positive place-making have changed significantly. A dramatically changed retail and town centre landscape, the impact of Brexit and its relationship to infrastructure and strategic employment sites and more recently the Covid pandemic, provide both a series of challenges and also new opportunities for the Borough. It is also important to align the Strategy and Delivery Plan to the Council's new Corporate Strategy and Medium Term Financial Strategy, as well as a changing national and local policy context.
- 3.5 While the main focus for the Council in 2020 and early 2021 has been supporting its business and residents through the pandemic, more recently there has been to return towards a focus on strategic growth



and, therefore, it is considered appropriate and timely to refresh the Regeneration Strategy and associated Delivery Plan, to ensure it is fit for purpose and has the right focus to drive forward transformational economic growth.

- 3.6 A key priority and focus of the Regeneration Programme to date has been Havant Town Centre. This paper sets out an update on progress made in respect of regenerating Havant Town Centre, including the acquisition of the Meridian Centre, development of a masterplan, procurement to secure a development partner for the Civic Plaza car park site (now referred to as Civic Plaza East) and the recent submission of a substantial Levelling Up Fund bid.
- 3.7 This paper also brings forward an Outline Business Case for the Plaza East site for approval and sets out recommendations for next steps, following a Cabinet approval in January 2021.

#### **4 Additional Budgetary Implications**

- 4.1 None.

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

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##### **Havant Regeneration Strategy**

- 5.1 In November 2018, Havant Borough Council approved a new, bold and ambitious Regeneration Strategy. The Strategy set out the Council's regeneration aspirations for the Borough to 2036, in alignment with the Local Plan, Corporate Strategy and Medium Term Financial Strategy (MTFS).
- 5.2 The Regeneration Strategy set out a clear case for regeneration based on a plan to address the Borough's housing and economic challenges, as well as to build on its strengths and opportunities for transformational growth.
- 5.3 The Strategy has a focus on spatial and physical regeneration and identified five key priority areas, namely;
- i. Havant Town Centre
  - ii. Havant Strategic Employment Sites
  - iii. Hayling Island Seafront
  - iv. Leigh Park Centre
  - v. Waterlooville Town Centre

- 5.4 The Regeneration Strategy is supported by a Delivery Programme, which set out a proposed phasing approach as well as identification of early priorities and focus for intervention.
- 5.5 When adopted, the Council identified that there should be an early focus on projects that;
- Have the potential for the generation of income that can be reinvested in the delivery of other projects within the Regeneration Programme;
  - Are on land owned by the Council;
  - Are allocated/identified on the Adopted and emerging local Plan
  - Attract external grant funding; and
  - Have no significant barriers to development and therefore are potential quick wins.
- 5.6 While regeneration can take considerable investment of time and resources and tangible progress can often feel slow, significant progress has been made, including (but not limited to) the acquisition of the Meridian Centre in Havant Town Centre, submission of a significant Levelling Up Fund bid for the Town Centre and disposal of the Brockhampton West site, which has the potential to enable reinvestment of some or all of the capital receipt to support regeneration priorities. Annex 1 sets out a summary of key areas of progress.
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- 5.7 Work on the regeneration programme continues at pace, however since the Strategy was adopted in 2018, the opportunities for delivering regeneration and for contributing to positive place-making have changed significantly. Changes which may create new challenges and opportunities and are therefore likely to have an impact on the way the strategy is delivered include;
- Changing retail landscape and focus for Town Centres
  - Brexit and the impact for strategic employment growth, strategic sites and business development.
  - Covid pandemic and implications in the short, medium and long term in terms of regeneration, business development and residents' priorities around place-making.
  - Changes to the Council's Medium Term Financial Strategy and emergence of a new Corporate Strategy.
  - Changing national and regional policy and programme priorities including new funding opportunities.
- 5.8 When adopted, it was agreed that the Delivery Plan would be reviewed after 3 years, which would mean end of 2021. As such and given the changes referred to above, it is recommended that both the Regeneration Strategy and associated Delivery Plan are now formally reviewed and refreshed, to ensure they are fit for purpose and have the right strategic focus to drive forward transformational growth.

- 5.9 An important area for consideration in reviewing and updating the Delivery Plan will be to consider the most appropriate and effective delivery and funding models, to including procurement strategies. Evidence from recent soft market testing (see 5.16 iv below) will be used to help shape the best approach and to determine the Council's role in supporting delivery.
- 5.10 Work to support economic growth is expected to form an increasingly important feature of the refreshed Strategy and as such it is intended that the refreshed Regeneration strategy will be referred to as a Regeneration and Economic Strategy.
- 5.11 Governance and working arrangements, both internally within the Council and also with partners and stakeholders, including local residents, businesses and the community, will also be considered as part of the refresh.
- 5.12 Engagement and consultation with local residents, businesses and a whole range of stakeholders and strategic partners will be critical to the success of the work to secure support and ownership. Annex 2 sets out an emerging Stakeholder Engagement Framework, which will be developed and implemented to support the refresh work.
- 5.13 Subject to Cabinet approval, it is proposed to complete this work in the autumn/winter of 2021 and bring it back to Council in early 2022 for adoption.

### **Havant Town Centre Regeneration**

- 5.14 A key priority and focus of the Regeneration Programme to date has been Havant Town Centre.
- 5.15 The Regeneration Strategy sets out a vision for an enhanced and improved Town Centre, one that is inclusive, with quality green spaces and strong access and transport links. The vision speaks to the town centre's historic core, but also refers to opportunities for a modern, digitally connected space.
- 5.16 Much work has been undertaken to start to deliver this vision, including;
- i. Development of an ambitious masterplan (2018/19) for the Town Centre, supported by a high quality promotional video to articulate the masterplan for the purposes of driving inward investment and supporting future funding bids. This work was completed in 2019 and the video launched in early 2020 (see [www.havewithhavant.co.uk/the-vision](http://www.havewithhavant.co.uk/the-vision)).
  - ii. Acquisition of the Meridian Centre (2019) as a key asset to support future redevelopment of the heart of the town centre.

- iii. Procurement of a development partner (2019/20) for the Civic Plaza site (see sections 5.17-5.25 below).
- iv. Soft-market testing (April 2021) with a range of national developers/investors to engage directly with the industry to canvas opinions and views on Havant as an investment location as well as securing views as to the site opportunities and the preferred way of moving the sites forward. A further objective was to seek, from an investor's perspective, the qualities it looks for when choosing a local authority to work with in partnership, to inform the refresh of the Delivery Plan.
- v. Submission of a substantial Levelling Up bid (June 2021) in respect of Havant Town Centre (see exempt annex 3). The focus for the bid was on the heart of the Town Centre, including redevelopment of the Meridian Centre itself, as well as Bulbeck Road car park and also a package of public realm enhancements. The bid aligned to a further bid submitted by the County Council, which included a new Town Centre railway footbridge and a package of highway and access improvements.

5.17 At the time of writing, the outcome of the Levelling Up Fund bid is unknown. It is expected to be highly competitive, however if successful, it will be transformational for the town centre, unlocking significant capital funding to enable swift, real and tangible progress to be made on town centre regeneration delivery.

5.18 The Council, however, wishes to make progress on the delivery plan for the town centre in any event and therefore, Cabinet are asked to note the update and approve the progression of three core priority projects;

- (i) Plaza East (formerly known as Civic Plaza project (see below);
- (ii) Bulbeck Road car park – development of an outline business case and if appropriate, preparation and submission of an outline planning application in respect of the potential disposal and redevelopment of the site to provide much needed housing. The business case will be brought back to Cabinet for consideration and approval; and
- (iii) Development of a package of public realm and access enhancements. This will include working with the County Council on highway and transport matters as well as wider partners including Network Rail and South Western railways on proposals to improve the Station Forecourt and enhance connections to the Hayling Billy Trail.

5.19 To ensure it is consistent with the broader strategy, the phasing, timing and delivery approach of this work will be built into the Borough wide Regeneration Delivery Plan refresh.

## **Civic Plaza East**

- 5.20 The Civic Plaza Car Park Redevelopment project was approved by Cabinet as the first project in phase 1 of the Council's Regeneration Programme in 2018, with the detailed business case was subsequently approved by Cabinet on 20 March 2019.
- 5.21 In 2018, the project was awarded a grant of £3.36M from the Homes England Accelerated Construction Fund. This funding was secured to enable the scheme to become financially viable and to support the delivery of housing.
- 5.22 An OJEU compliant Competitive Dialogue procurement process was subsequently undertaken in 2019. However, this process demonstrated that even with the £3.36M contribution, the scheme was not viable. Up to an additional £3.36m of funding support was subsequently offered by Homes England and the last stage of the procurement was re-run. However, in June 2020, Homes England confirmed that they had to withdraw the offer of additional funding support due to national pressures to support the Covid recovery effort. As such, the scheme as procured was deemed no longer financially deliverable.
- 5.23 In February 2021 Cabinet approved the formal closure of the project in its current form. At the same time, Cabinet approved the development of an outline business case, for consideration at a future Cabinet meeting, for the comprehensive development of the wider Civic Plaza site. To note that the working title at the time was Civic Plaza Plus, but the site is now referred to as Civic Plaza East. It comprises the car park, public estate to the south and Leisure Centre site to the north, with potential to include adjacent sites as appropriate.
- 5.24 An outline business case can be found in annex 4 and Cabinet are asked to note and approve its contents.
- 5.25 Forming part of the business case, Cabinet are asked to note that in March 2021, the Council submitted a proposal to Homes England to request additional capacity funding from their Housing Infrastructure Fund to support the 'Regenerating Havant Town Centre' ambitions. The bid was successful and £180,000 of capacity funding has since been awarded to support delivery of the Regenerating Havant Town Centre programme.
- 5.26 The funding covers key areas of work including:
- Option analysis review and consultation phases
  - External project management advice and strategic support
  - Refreshed Regenerating Havant Town Centre masterplan
  - Commercial viability assessment
  - Socio-economic impact assessment
  - Review of future delivery and legal mechanisms

- 5.27 While the focus on the funding is primarily on the Plaza East site, it is recognised that it forms part of the wider Town Centre regeneration programme and that much of the technical work referred to above may relate to the wider town centre sites.
- 5.28 To note, the Homes England funding does not relate to the Council's work required on the detailed procurement process to secure a development partner and this has been considered as part of the outline business case.
- 5.29 In addition to the above, a bid for £50,000 was submitted as part of the One Public Estate Programme (round 7). This was to enable more formal work to be undertaken with those key public partners occupying the southern end of the Plaza East site, to enable consideration of options relating to those assets. That funding is expected to be confirmed shortly.
- 5.30 More detailed consideration will also be given to the Leisure Centre site to the north, with a view to exploring how it can contribute to a possible wider redevelopment.
- 5.31 Cabinet is asked to approve the Outline Business Case (annex 4) to enable the next stage of detailed work as set out, to progress. A report will come back to Cabinet once that work is complete for a further decision on next steps.

### **Relationship to Corporate Strategy**

- 5.32 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 2020-24:
- **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 revitalized 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 sustainable 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.

5.33 The work outlined in this paper seeks to deliver and further develop the work as set out in the adopted Regeneration Strategy – Opportunity Havant (November 2018). The Delivery Programme forms a key part of the Regeneration & Economy Services Business Plan.

5.34 The work also aligns closely to and seeks to support delivery of the (existing and emerging) Havant Borough Council Local Plan. A specific objective of the Regeneration Strategy is likely to remain supporting delivery of key housing and employment sites, as well as aligning to the wider planning policies as set out in the plan.

## 6 Options Considered

6.1 *Do not review Regeneration Strategy or Delivery Programme* – the Regeneration Strategy and Delivery Programme could be left 'as is' but there would be a risk that it will not be fit for purpose, nor be the most effective strategy and programme of work to achieve the regeneration aspirations for the Borough.

6.2 *Do not move forward with Town Centre projects* – this would not achieve the aims of the Regeneration Strategy or the Corporate Strategy. Regeneration would stall and the town centre would be left to market forces only, which would not deliver comprehensive regeneration for the town.

6.3 *Do not progress Civic Plaza East* – this would not achieve the aims of the Regeneration Strategy or the Corporate Strategy. An opportunity to redevelop a Council owned site would be lost, as would an opportunity to consider comprehensive redevelopment of a wider site alongside other public sector partners.

## 7 Resource Implications

### Financial Implications

7.1 The work referred to in this paper relates primarily to feasibility work, development of projects and business case development work.

7.2 The work to develop and engage on the refreshed Regeneration Strategy will be done predominantly in-house by officers and by ongoing consultant support and therefore costs will met by existing staffing budgets. Where additional specialist support or advice is required, the cost of this will be met within existing budgets, however this is expected to be minimal.

- 7.3 The work to develop the three priority projects for Havant Town Centre will be done by a combination of in-house officers and specialist consultants as appropriate. Any costs associated with development of the projects, including the development of business cases and feasibility work will be funded through existing budgets or through the Homes England capacity grant. Further details about the Homes England grant are provided in 7.6 and 7.7 below.
- 7.4 As part of the business case development and as projects are further refined, the work will be scoped further to give a more accurate picture of potential costs. 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.
- 7.5 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.
- 7.6 In March 2021, the Council submitted a proposal to Homes England to request additional capacity funding from their Housing Infrastructure Fund to support the 'Regenerating Havant Town Centre' ambitions. The application focussed on two key delivery phases from April 2021 to March 2022 and a funding request of £256,310.
- 7.2 On 10<sup>th</sup> June 2021, the Council received and signed a grant offer letter for £180,000 of capacity funding to support the delivery of the Regenerating Havant Town Centre programme. This funding will support delivery of much of the work set out in this paper, alongside existing budgets.

**Section 151 Officer comments**

Date: 5<sup>th</sup> August 2021

- The feasibility work, development of projects and business case development work will be met by existing budgets.
- Any decisions to proceed with those projects will enable the financial implications to be considered in detail by Cabinet or Council, as appropriate.

Human Resources Implications

- 7.7 None. All work will be done in-house or by consultants funded within existing budgets.



## Information Governance Implications

- 7.8 None. Information Governance will be considered at programme and project level.

## Other resource implications

- 7.9 None.

## **8 Legal Implications**

- 8.1 Approval of the recommendations in this report will lead to the engagement of external consultants to undertake some of the work required. This will need to be undertaken in accordance with Contract Standing Orders, and the conditions of any grant funding used. Any resulting proposals for redevelopment or disposal of Council owned land will require separate consideration and approval by Cabinet in due course.

Gina Homewood 20<sup>th</sup> July 2021

### **Monitoring Officer comments**

Date: 5<sup>th</sup> August 2021

Legal implications comments above are noted; no further comment to add.

## **9 Risks**

- 9.1 No significant identified risks. All risks will be considered and managed at programme and project level.

## **10 Consultation**

- 10.1 The Cabinet Lead Cabinet Lead for Finance, Regeneration and Estates and wider Cabinet have been consulted on this paper.

- 10.2 Informally, some of the key partners and stakeholders have also been consulted on key projects, including;

- Homes England
- Hampshire County Council
- Solent Local Enterprise Partnership (SLEP)

- 10.3 Engagement and consultation with local residents, businesses and a wide range of key strategic stakeholders and partners will be important

as this work move forward. A stakeholder engagement framework is included in appendix 2.

## **11 Communication**

- 11.1 Communications will remain an important feature of this programme of work and 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](http://www.havewithhavant.co.uk)), social media channels and other methods as appropriate.
- 11.2 A Communications Strategy will be developed to support the Regeneration Strategy refresh.

## **12 Appendices**

- Appendix 1 - Havant Regeneration Programme - Outline of progress to date
- Appendix 2 – Stakeholder Engagement Framework
- Appendix 3 (EXEMPT) – Levelling Up Fund bid summary

## **13 Background Papers**

Council decision relating to adoption of Regeneration Strategy  
November 2018

<https://havant.moderngov.co.uk/ieListDocuments.aspx?CIId=126&MIId=10626>

Cabinet decision related to Civic Plaza project February 2021

<https://havant.moderngov.co.uk/ieListDocuments.aspx?CIId=128&MIId=11076>

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: 5<sup>th</sup> August 2021

S151 Officer: 5<sup>th</sup> August 2021

Director: 20<sup>th</sup> July 2021

Portfolio Holder: 28<sup>th</sup> July 2021

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