

# **The Welborne Plan**

## **Statement on Issues and Questions**

**Issue 11: Delivering the New Community  
including Viability, Monitoring and Review  
(WEL41 – WEL43)**

---

September 2014

**CD-18**

- 11.1     *The Stage 2 Viability Testing (Core Document EV30) concludes that currently the Welborne Plan appears to be unviable (paragraph 1.52). What evidence is there to demonstrate that overall the proposed development at Welborne, including infrastructure provision, would be viable and deliverable? Are the mechanisms in place to ensure that funding is available to deliver the infrastructure when it is required? What are the implications of the recent Government announcement (15 August) regarding the large sites infrastructure programme?***
- 11.1.1   Development deliverability is a key consideration for Welborne. Paragraphs 1.39 to 1.42 of the Welborne Plan (SD-01) set out some of the main issues for viability, such as significant up-front costs relative to key infrastructure provision.
- 11.1.2   The Council has been undertaking a process of detailed viability testing to inform the evolution of the Welborne Plan. Key for the Council is to ensure that the new community is deliverable, and that the necessary infrastructure will be secured. The Council notes the planning practice guidance regarding viability in plan-making.
- 11.1.3   A strategic viability analysis was carried out by GVA using the best information available at that time regarding how the project may be delivered, namely the Council’s Concept Masterplan (EV-06), Phasing Plan (subsequently published as EV-38) and Infrastructure Delivery Plan (EV-29), along with discussion with the site promoters. This enabled an early assessment of the viability of the project to be undertaken to inform other aspects of the Welborne project, including the Welborne Plan, Infrastructure Funding Strategy, and discussions with other delivery partners.
- 11.1.4   The strategic viability analysis contained within the Stage 2 Viability Testing document was undertaken in late 2013. The Summary Conclusions (EV30, para. 1.52) state that *“based upon the current forecast IDP and associated development outputs (linked to the current Concept Masterplan), the Welborne scheme appears to be unviable.”* It is worth noting that this assessment is based on the Council’s Concept Masterplan and associated information outlined in paragraph 11.1.3 above.
- 11.1.5   That strategic viability analysis has informed the subsequent evolution of the project in the following ways;
- 11.1.6   First, the findings led to the adoption of a more flexible approach in the Welborne Plan, which will apply overall to how Welborne will be delivered and in particular to the masterplanning of the site and the infrastructure required as described in paragraphs 1.43 and 1.44 of the Welborne Plan. This is in line with the advice set out in the GVA report, which in paragraphs 1.57 and 1.58 suggested ways forward for the further evolution of the concept masterplan, IDP & associated viability testing. Key examples of this include the approach to infrastructure taken in Policy WEL41, where the Council’s IDP provides guidance, but it is for the developer produce their own masterplan and IDP which will deliver a viable scheme.

- 11.1.7 Second, the Council commissioned GVA Financial Consulting to develop an *Infrastructure Funding Strategy* (EV-52) which has informed a *Position Statement Update* (EV-53) from the Council. The Position Statement Update identifies a number of measures the Council has subsequently undertaken following the initial GVA study to improve the viability position of the Welborne Plan. One key example is the undertaking of the Council to reinvest its New Homes Bonus receipts from development in Welborne back into infrastructure provision in the new community (EV53, paragraph 19). This would result in a total of £45 million public investment, based on the Borough Council's current projected receipts (figure 3.6, EV52). Another is the pursuit of suitable grant and loan funding opportunities for essential infrastructure (outlined further below).
- 11.1.8 Finally, the Council has been in discussion with the site promoters regarding their proposals for the site including initial discussions on an outline planning application. Those initial discussions have included discussions over proposed structuring plan / masterplan, phasing plan and infrastructure delivery plan. There are points of difference between the parties, and discussions are ongoing as would be expected given that the planning application has not been submitted yet. The Council has commissioned CBRE to advise the Council through this process on viability and deliverability matters in respect of future planning applications. CBRE have undertaken an initial view of the overall viability and deliverability of the Welborne project, taking into account improvements in the market and flexibilities introduced in the Welborne Plan since 2013, as well as possible efficiency savings in a collaborative approach to infrastructure delivery. That view is set out in Appendix 11A to this document.
- 11.1.9 Notwithstanding GVA's conclusions in EV-30, matters have moved on significantly and overall, the above reasons lead the Council to be satisfied that the proposed new community would be viable and deliverable within the parameters set by the Welborne Plan. GVA's views on this are set out in Appendix E to this document.
- 11.1.10 The project has a number of mechanisms to ensure funding will be available to deliver the infrastructure when it is required. Conditions and planning agreements will be used to secure developer contributions. In addition, the project has a Strategic Delivery Group, with the Borough Council and other partners including the site promoters, the County Council, the Homes and Communities Agency and Solent Local Economic Partnership. All bodies have an interest in the delivery of a successful new community at Welborne. This Group provides the opportunity for a coordinated approach to be taken to the delivery of infrastructure, with reference to the agreed phasing plan and delivery strategy required by Policy WEL41.
- 11.1.11 The site promoters bid for £45 million of Large Sites Infrastructure Programme funding to unlock the development, and the Borough Council submitted a corresponding letter of support. The Government announced

on 15 August 2014 that the Welborne project had been shortlisted for support from the Large Sites Infrastructure Programme (LSIP)<sup>1</sup>. We understand that initial due diligence discussions are on-going and await further announcements from the Homes and Communities Agency. It should be noted that this fund is an ongoing funding opportunity to 2020.

11.1.12 In addition to the LSIP announcement, the Solent LEP identified Welborne in the Solent Strategic Economic Plan 2014-20<sup>2</sup> as a key site and a flagship project for unlocking development (LD-15, page 49). A funding package for Welborne has subsequently been recognised in the Solent Growth Deal agreed with Government. Under central government commitments is listed “an initial £19.7m to improve transport and connectivity in Fareham and Gosport and some initial enabling work at Welborne (with £6m in 2015/16), and a further provisional allocation of £14.9m for junction 10 M27 starting beyond 2016” (page 4). A copy of the Solent LEP letter confirming the growth deal announcement and the Solent Growth Deal follow as Appendices 11B and 11C.

11.1.13 In both cases, the initial bid passed the initial appraisal by the fund holder before progressing on to the next stage of detailed scrutiny. Other funding opportunities will no doubt arise over the lifetime of the project. The Council considers that this is evidence that Welborne is well placed to bid for and receive support from relevant funders over the lifetime of the project.

**11.2 What are the main risks to delivery; does the Council have an appropriate fallback position; and is there sufficient flexibility to accommodate any unforeseen circumstances?**

11.2.1 The Council accepts that the main risk to delivery is ensuring that the necessary infrastructure can be secured in a timely manner. A key example of this, particularly for the early phases, is the way to ensure the upgrade to Junction 10 of the M27. The consequences of a delayed junction 10 of the M27 are set out in the Council’s response to question 7.2, along with the Council’s proposals for mitigating that risk.

11.2.2 In general, the fallback position can only be dictated when the circumstances are known, but the flexibility of the plan policies will allow for suitable changes to take place in the delivery of infrastructure should it prove necessary through the normal planning process. The Strategic Delivery Group outlined in para. 11.1.10 above provides a forum for addressing issues for the delivery partners. With regards to all infrastructure provision, the Council has a mechanism in Policy WEL 41 for considering the phasing and delivery of Welborne in the light of changing circumstances.

---

<sup>1</sup> <https://www.gov.uk/government/news/first-wave-of-projects-for-1-billion-programme-to-help-unlock-200000-homes>

<sup>2</sup> [http://solentlep.org.uk/uploads/documents/Solent\\_Strategic\\_Economic\\_Plan.pdf](http://solentlep.org.uk/uploads/documents/Solent_Strategic_Economic_Plan.pdf)

- 11.3 *Is the phasing plan sufficiently clear; justified; and based on realistic timescales? Is it sufficiently clear exactly what infrastructure will be required before a subsequent phase can commence? Has the right balance between ‘flexibility’ and ‘certainty’, in terms of infrastructure provision, been achieved?***
- 11.3.1 The Council has undertaken significant work on infrastructure planning for the new community, culminating in an Infrastructure Delivery Plan Review (EV-27) in 2013 and a Stage 2 Update Report (EV-29) in 2014. That IDP is based on the Council’s comprehensive masterplan, which has been produced to develop the understanding of how the development may be delivered and inform the production of the Strategic Framework. It should be noted that the IDP does not prescribe the infrastructure that will be required in any planning application. However, its role is to guide applicants to the nature of infrastructure that may be necessary in their proposed Strategic Framework. This is a key change from the previous iteration of the Plan (EV33) which sought to prescribe the infrastructure that must be provided.
- 11.3.2 The Council’s phasing plan was produced to outline how the development set out in the Concept Masterplan would be delivered, and, together with the Council’s Infrastructure Delivery Plan, guide the production of the applicant’s proposals in line with Policy WEL41 of the Welborne Plan. The timescale for infrastructure provision set out in the IDP has been agreed with the various service providers, and the housing delivery has been tested by GVA (EV12). Overall, the timescale is considered reasonable.
- 11.3.3 It is expected that key milestones within the Council’s phasing plan would be used as the ‘trigger points’ in the applicant’s submitted Infrastructure Delivery Plan (IDP), which by way of a simple threshold mechanism could be linked to the provision of the infrastructure required for that particular phase. The applicant’s IDP would also be considered by the Council, in light of consultation with service providers, to ensure timely delivery as part of the planning application process. The cost of supporting infrastructure would be offset as far as possible by the provision of higher value development that is provided in a sequence that responds to demand in the current market place.
- 11.3.4 The thresholds identified as trigger points for each infrastructure item would be incorporated within a section 106 legal agreement to ensure that they are provided at the appropriate time.
- 11.3.5 As part of adopting a flexible approach in the Plan, the Council included reference to the deferral of contributions policy in Policy WEL 41. This was outlined further in the Council’s draft Welborne Planning Obligations and Affordable Housing Supplementary Planning Document (SPD) which was published for public consultation between 25 June and 6 August 2014. Following consideration of the responses received during that consultation, the Council submitted a summary of responses and an initial response to

the Examination (CD-05) which indicated that the Council would change Policy WEL 41 (Phasing and Delivery) and supporting text to remove references to deferral of infrastructure.

11.3.6 The Council is therefore minded to propose amendments to Policy WEL41 of the Welborne Plan in line with the text set out in Appendix D to this document, and further consequential minor changes throughout the Plan. The Council considers this achieves an appropriate balance between flexibility and certainty.

**11.4 *How will issues of different land ownerships (e.g. in relation to SANGs provision) be resolved?***

11.4.1 The Council appreciates that the complexities of developing a proposal of this scale can be further complicated when the land is not within the control of a single owner. This is commonplace with strategic sites. Policy WEL4 addresses this issue by requiring the development of Welborne to be taken forward on a comprehensive basis and in accordance with the principles of the Strategic Framework Diagram (Appendix B.2 of the Plan).

11.4.2 The majority of the Welborne site is being promoted by two principal land owners. To ensure that their proposals are co-ordinated the applicants will be required by Policy WEL4 to prepare a joint structuring plan which should set out the disposition of the main land uses and the location of key items of infrastructure across the site as a whole, including third party land. Initial applications will be accompanied by comprehensive masterplans which will contain the individual proposals and relate to the submitted overarching structuring plan. The approved structuring plan and comprehensive masterplans will act as 'blueprints' for all subsequent planning applications.

11.4.3 The requirement to submit a joint structuring plan together with comprehensive masterplans, will ensure that issues such as SANGs are addressed in a co-ordinated manner which accords with the principles of the Strategic Framework Diagram and the policies within the Welborne Plan.

11.4.4 While the majority of the site is within the control of two principal land owners, there are also a number of properties owned by third parties. None of the land owned by third parties is essential to achieving the overall vision for Welborne, however should they become available for development at a later date, the appropriate use is established by the Strategic Framework Diagram.

11.4.5 Where any of the third party sites within the Welborne Plan boundary do not come forward as part of the initial proposals, then the applicants will be expected to prepare a scheme to mitigate any adverse environmental impacts on residential amenity caused by the proposed development and to maintain access and services at all times during the relevant phases of the development.

11.4.6 The Strategic Framework Diagram identifies a number of areas within and outside the Welborne Plan boundary which have the potential to deliver SANGS as part of a mitigation strategy. Any necessary SANGS identified as part of a strategy to avoid or mitigate potential impacts to sensitive sites will need to be secured at the time planning permission is granted. The delivery of SANGS to support 6,000 homes in accordance with the approach outlined in Policy WEL30 will require land outside of the Welborne Policy boundary. However, the Plan offers flexibility both in terms of how the overall developers masterplan is produced and the delivery of a mitigation strategy under Policy WEL30.

**11.5 *Is the principle of the long-term safeguarding of land justified (as referred to in policy WEL42)?***

11.5.1 The Council considers that the ability to safeguard land for specific infrastructure, facilities or development types within Welborne is an important mechanism to ensure that the plan is able to operate in a flexible way over the very long build-out period. Policy WEL42 provides the Council and the local community with some degree of certainty that, even where any facility or development cannot be delivered at the time envisaged by the Plan, the site will not be subsequently used for other development and thereby the opportunity to deliver the intended facility or development will not be permanently lost.

11.5.2 Without the ability to safeguard land, it would be more difficult for the Council to apply flexibility in its approach to securing development or infrastructure at the time intended and it would be more likely to result in opportunities being lost to deliver the facilities in question at a later stage. The Council considers that without Policy WEL42, it would be difficult, once a delay in any given facility or development has been accepted, to subsequently refuse planning permission for other types of development on the site in question. The issues of employment land and office development raised in Inspector's Question 4.6 serve as an example of the need for the ability to safeguard land.

11.5.3 In drafting Policy WEL42, the Council has been mindful of the need to ensure that the ability to safeguard land also operates in a flexible way. This is reflected in the second paragraph of WEL42 which limits any safeguarding to the beginning of the final Main Phase of Welborne's development. In addition, the ability to release sites from safeguarding earlier than the last Main Phase is provided, where clear justification for doing so can be demonstrated as part of a planning application. Such justification will need to include demonstrating to the Council that the intended facility or development is not viable and is not likely to be viable within the remaining plan period, or that it is no longer required, or that the facility or infrastructure is being met in another way.

**11.6 Are the housing and employment trajectories based on sound evidence?**

- 11.6.1 The housing trajectory seen at Table 10.1 of LP3 was developed over time, alongside the production of the Welborne Plan. It has been informed by a number of evidence sources, including the Welborne Housing Market Assessment (EV11), the site-wide financial viability testing (EV30) and finally by a bespoke Welborne Housing Build-out Rates Study, prepared in December 2013 by GVA (EV12). In addition, the development of the trajectory was informed by on-going engagement with the principal site promoters.
- 11.6.2 The Council undertook the housing build-out rates study because of the inconclusive outcomes from the other evidence sources drawn upon. This reflected the difficulty that the Council had in preparing the final housing trajectory as this necessarily involved predicting the future direction of the housing market and wider macro-economic trends. Nevertheless, the Council is confident that the build-out rates study is a robust and credible evidence source and it was considered appropriate to base the trajectory, as set out in Table 10.1 of LP3, primarily on this evidence.
- 11.6.3 In summary, the approach taken by the housing build-out rates study included the following steps:
- Housing sites across South Hampshire were identified that were delivering homes now or have done in the recent past and the build-out and sales rates achieved were analysed;
  - Engagement with developers and agents across South Hampshire was undertaken to test their views on current and likely futures sales and build-out rates within the Sub Region;
  - Housing delivery projections for PUSH local authorities were analysed to 2036 (where available) to understand projected peaks and troughs in housing delivery over the period and thereby inform the extent to which delivery at Welborne would be competing with other projected market releases;
  - Available economic forecasts were used to assess likely national and regional housing market and macro-economic trends; and
  - An assessment was made of the likely effect for Welborne of current and committed Government policy, such as the decision to roll the 'Help to Buy' scheme forward to 2020.
- 11.6.4 Based on their analysis, GVA concluded that Welborne was likely to be able to support an average of 5 marketing suites and the overall level of annual average build-out recommended for the trajectory was between 320 and 343 dwellings.
- 11.6.5 In taking forward GVA's advice on build-out rates, the Council based the affordable housing proportion on the 30% target, consistent with Policy WEL18. This resulted in an average annual 'peak' housing delivery of 340 dwellings. However, in accordance with evidence within the build-out rates study, the trajectory in LP3 also reflects a 'ramping-up' period during the

initial four years, as well as a 'winding-down' period in the last four years of projected delivery. During these periods, it was considered that less than 5 marketing suites could be supported at Welborne, and this accounts for the lower levels of projected housing delivery at the start and end of the trajectory.

- 11.6.6 The employment trajectory, set out in Table 10.2, is based on the work undertaken for the Welborne Employment Strategy, prepared by Wessex Economics in November 2013 (EV46). Section 8 of the Employment Strategy sets out the anticipated quantum of employment floorspace to be provided at Welborne, which amounts to a net increase of 83,390 m<sup>2</sup> of floorspace within the 'B' Use Classes. Subsequently, Appendix 4 to the Strategy sets out the trajectory and a supporting rationale.
- 11.6.7 The Welborne Employment Strategy undertook both an analysis of the potential to deliver employment floorspace at Welborne as well as an assessment of the current and past patterns of floorspace delivery and take-up across South Hampshire. Based on this work, Appendix 4 suggests that the following key points have informed the employment trajectory:
- Only very limited quantities of employment floorspace are anticipated to be delivered before the new 'all moves' Junction 10 is completed;
  - Correspondingly, the bulk of floorspace provision has been assumed to be delivered between 2022 and 2040;
  - During the first decade of Welborne's development, it is anticipated that the delivery of floorspace will be primarily within Use Classes B1c, B2 and B8, due to an existing undersupply of floorspace in these Use Classes;
  - Correspondingly, little delivery in B1a Use Class is anticipated in the early years, due to the current large quantity of B2 floorspace that is either vacant or already allocated within South Hampshire; and
  - Given the length of the period covered by the trajectory, an economic downturn has been factored into the middle years of the trajectory.
- 11.6.8 The potential to deliver improvements to Junction 10 of the M27 earlier than 2022 is discussed in the Council's response to Inspector's Question 7.2. therefore the findings outlined in the Employment Strategy are based on a prudent assessment of the delivery of this key infrastructure.
- 11.6.9 It is important to keep in mind that the employment land trajectory is indicative only and the difficulty in forecasting the pattern and volume of commercial development over a 25 year period cannot be overstated. This difficulty is even greater for the employment trajectory than it is for the housing trajectory; whilst we may be confident that people will continue to need homes into the 2030's and beyond, the fast pace of structural change in employment and working patterns is likely to give rise to vastly different floorspace requirements in the future than can currently be reasonably predicted. Nevertheless, mindful of the significant limitations involved, the Council is confident that its employment trajectory is based on sound evidence and is as accurate as the available evidence will allow.

**11.7 In order for the plan to be found sound it must be effective. In order to test its effectiveness over the course of the plan period it must be capable of appropriate monitoring. Table 11.1 lists the indicators and targets but is the list sufficiently detailed? There is no indication of the process by which the targets will be monitored; what is meant by monitoring ‘on a regular basis’; or how the Council would respond if the level of performance is not satisfactory. On this basis can it be concluded that LP3 will be effective?**

11.7.1 Table 11.1 within LP3 contains a list of indicators and targets which represent the essential components for the delivery of Welborne. The identified indicators and targets will be used to supplement the monitoring indicators and targets already identified in the adopted Core Strategy. As such, the Council considers that the indicators and targets contained within Table 11.1 when read in conjunction with those of the adopted Core Strategy are sufficiently detailed.

11.7.2 The Council will use a variety of methods to monitor the targets including but not limited to, the monitoring of: planning applications and decisions; development starts and completions, liaison with Hampshire County Council and statutory consultees such as Natural England and an assessment of the way in which early phases of development are implemented. Residents’ surveys will also play a role in assessing quality.

11.7.3 Planning applications which have section 106 legal agreements will also be subject to additional monitoring by Fareham Borough Council, to ensure that infrastructure and contributions are provided in accordance with the relevant trigger points. Monitoring of new development by existing residents through new residents surveys provides an invaluable tool which would also contribute to the assessment of development within Welborne.

11.7.4 Paragraph 11.5 of the Welborne Plan states that monitoring will be ‘on a regular basis’. It is considered that the approach outlined in Chapter 11 is insufficiently clear, and so the following is proposed as a minor modification to the Plan to provide clarity –

11.7.5 Amend Paragraph 11.5 to read –

*“Monitoring the outcomes of the policies in the Welborne Plan will be undertaken ~~on a regular basis~~ to identify issues and enable early action to be taken to overcome any barriers to delivery of the plan’s objectives and policies.”*

Amend Paragraph 11.6 to read –

*“Monitoring of the indicators set out in the Welborne Plan will be undertaken on an annual basis and included in the Authority Monitoring Report (AMR). Where appropriate, Borough-wide targets which are monitored through the*

*Council's Authority Monitoring Report (AMR) will be broken down and applied to the Welborne Plan area, so that the contribution of Welborne to Borough-wide targets can be seen on a local scale."*

- 11.7.6 The Council is committed to the provision of a high quality new community and considers that LP3 allows for a degree of flexibility in the way in which monitoring is undertaken so that resources can be appropriately allocated. If the monitoring indicates that the level of performance is not satisfactory and is failing to achieve the Welborne vision, the Council will have to consider actions it could take. These actions could include measures to promote the delivery of Welborne (for instance, as part of the Strategic Delivery Group outlined in paragraph 11.1.10), or through a review of the Plan or Supplementary Planning Guidance for Welborne where necessary

**11.8 *Are the triggers for a review of the document sufficiently robust?***

- 11.8.1 The policies within the Welborne Plan are subject to review by the monitoring of a variety of indicators. The combined targets and indicators provide a monitoring framework for assessing the delivery of the Plan. The monitoring framework is sufficiently flexible so as to allow for the review of an individual or a number of policies at any one time. If the number of policies which require review is so significant as to be impacting the delivery of the Welborne vision and objectives as a whole, a wholesale review of the plan would be required.
- 11.8.2 The need for a formal review of the plan would therefore be identified through the Authority's Monitoring Report. It is considered that the Authority's Monitoring Report provides a sufficiently robust trigger for review of the plan, however should any residents' surveys carried out by the developer after occupation identify that there are key concerns that could be addressed by the review of particular policies or the Welborne Plan as a whole is required, the Council would also take any this into consideration and act on it if necessary.

## **APPENDICES**

Appendix 11A – CBRE advice

Appendix 11B – Solent LEP Letter

Appendix 11C – Solent Growth Deal

Appendix 11D – Changes to WEL41

Appendix 11E – GVA advice

## Welborne New Community

### Question 11.1 – Supporting Statement

---

#### Introduction

CBRE has been appointed by Fareham Borough Council to advise on scheme viability and deliverability matters in respect of any future planning application.

CBRE has extensive market facing experience of advising on strategic sites of a similar nature to Welborne and a deep understanding of financial viability in a deliverability context.

#### Deliverability Considerations

Based on our discussions to date, our understanding of the local property market, and having due regard to the viability assessment undertaken by GVA during 2013, CBRE is of the opinion that there is a reasonable prospect of the site being deliverable.

Our opinion is based on the following principal reasons:-

- A notable improvement in the property market since the GVA Stage 2 Viability Study was undertaken.
- Significant provisional grant funding allocation by the Solent LEP towards the delivery of key strategic infrastructure.
- Potential availability of additional grant funding to include the recycling of New Homes Bonus contributions back into the scheme.
- Opportunity to secure other third party public/private investment and funding streams, through for example Large Sites Infrastructure Fund.
- Recognition of recent amendments to the Welborne Plan to provide greater flexibility to support its deliverability.
- Potential opportunity to realise significant savings in the total costs of the Infrastructure Delivery Plan.

#### Conclusions

We consider that the scheme is deliverable subject to striking an appropriate balance between infrastructure provision, affordable housing contribution and achieving a reasonable competitive landowners' return. GVA's Infrastructure Funding Strategy adds further weight to the case for deliverability.

**25 September 2014**



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

Solent LEP Office  
Ground Floor  
1000 Lakeside  
Western Road  
Portsmouth  
PO6 3EZ

**Sent via email only**

Monday 7<sup>th</sup> July 2014

Dear Colleague,

**Re: Solent Strategic Economic Plan and 2014/15 Local Growth Deal Announcement**

Further to my previous correspondence and briefing meetings with you on the Solent Strategic Economic Plan, I am writing to advise that the Cabinet Office have today announced the outcomes of the 2014/15 Local Growth Deal process.

Please find attached to this letter a copy of the Local Growth Deal which we have agreed with Government. This will also be published on our website today.

Whilst we have not secured the full £237m funding that we asked for, the fund was three times over-subscribed nationally and the £124.8m towards delivering the Solent Strategic Economic Plan that Government has announced represents a fantastic start for us in year one of a multi-year process.

The £124.8m Local Growth Deal Funds will be used to leverage additional investment from the private sector, developers and other local partners of £360m, resulting in a total investment package for the Solent valued at £484.8m. That investment will result in the creation of 5,000 new jobs, 10,000 new homes, 296,000sqm of employment floorspace, 2,500 apprenticeships, and 600 businesses supported.

The investment secured by the deal will be focused on three key areas to deliver transformative growth:

- **Enabling flagship sites for housing and employment**

A multi-year programme of infrastructure investment in Fareham and Gosport to support the development of a substantial new town at Welborne, north of Fareham, with a planned 6,000 new homes, including a new "all moves" junction 10 of the M27. This will also improve access around the Gosport peninsula to support growth in the Enterprise Zone (Daedalus) and ultimately Gosport Waterfront, creating 3000 new jobs in the period to 2021 and unlocking 248,000sqm of floor space for businesses. In addition, the Deal will invest in a £14m transport package to support North Whiteley by providing a major new transport link to the existing highway access in the area which will support the current community and enable 3,500 new homes and create 500 new jobs Solent LEP will also be pioneering a new approach to working with local public sector land owners, with the Department for Transport and agencies in a joint Strategic Land and Infrastructure Board. The board will take a strategic

approach to the release and disposal of land across the Solent area, and will support the joint planning and delivery of transport.

- **Enhancing transport connectivity across the area**

The Deal will invest in a package of transformational measures to support strategic developments, relieve congestion and reduce journey times across the Solent area. The deal will provide a £14.95m investment package to transform and modernise the Red Funnel terminals at East Cowes and Southampton, improving connectivity and removing capacity constraints. Moving the ferry terminals will release land to underpin the Southampton Royal Pier and East Cowes regeneration schemes, which will include employment space and 550 new homes. In return, Red Funnel will invest £15m in refurbishment of the ferry fleet.

- **Growing the skills base and supporting business growth**

The Deal includes a package of measures to enhance skill levels in the area to enable young people to take advantage of jobs in growing sectors, including marine, maritime and advanced manufacturing. Through the deal, the LEP will invest in upgrading existing college facilities, including a new Advanced Technology block, at Eastleigh College.. This investment will increase the number of young people enrolling on science, technology, engineering and maths course by 10% year on year between 2014 and 2020. In addition, the LEP will create a new centre of excellence on the Isle of Wight focused on the growth area of composites. The centre will be supported by the global engineering company, GKN and based alongside their high-tech facilities. The deal is also good news for the Solent's SME base, with £12m secured to continue the Solent LEPs successful Bridging the Gap funding programme for the next 6 years on a Solent-wide basis.

Further details on the specific schemes to be taken forward under the deal are included in the attached document.

As advised, this is just the first year of an annual funding opportunity available through the Local Growth Deal and, alongside the work we will be undertaking with partners to deliver the schemes supported through the Solent growth deal this year, we will also shortly be starting our work on preparing our 2015/16 submission. We will be in touch with all partners in due course with details of consultation events that we be arranging through the autumn to inform our 2015/16 growth deal submission. In addition we would like to meet with you during this period to discuss the growth deal and crucially we would like to seek your views on how we can strengthen our Strategic Economic Plan further. On this basis I look forward to meeting with you in the near future.

Yours sincerely,



Gary Jeffries  
Chairman  
Solent Local Enterprise Partnership

## SOLENT GROWTH DEAL

The Solent Growth Deal aims to drive growth across the area by investing in high profile strategic projects to enable housing growth and enhance transport connections between the cities and across the area, and supporting business growth, with a strong focus on marine and maritime, and advanced manufacturing sectors. The Solent Local Enterprise Partnership, which brings together two great waterfront cities of Portsmouth and Southampton with the Isle of Wight and south Hampshire, will get greater influence over some of the key levers affecting local growth and freedoms and flexibilities.

The Growth Deal, **subject to a satisfactory conclusion of the funding agreement**, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on three key priority areas as identified in the LEP's Strategic Economic Plan:

- Enabling flagship sites for housing and employment
- Enhancing transport connectivity across the area
- Growing the skills base and supporting business growth.

The Solent LEP has secured **£124.8m from the Government's Local Growth Fund to support economic growth in the area – with £27.5m of new funding confirmed for 2015/16 and £57.7m for 2016/17 to 2021**. This includes:

- As part of the Government's ongoing commitment to the Solent LEP a provisional award of a further £14.9m of funding for projects starting in 2016 and beyond; and
- £24.7m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £360m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £484.8m for the Solent LEP.**

By 2021, this deal will create at least 5,000 jobs and allow 10,000 homes to be built.

The Solent LEP brings together local businesses, universities and colleges and the local authorities in the area: Portsmouth City Council, Southampton City Council, Hampshire County Council and the district councils for Eastleigh, East Hampshire, Fareham, Gosport, Havant, Isle of Wight, New Forest, Test Valley and Winchester.

### **Summary of Solent Growth Deal projects and funding**

Solent Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund, gives them greater strategic focus on local priorities to deliver jobs, housing and skills.

<b>Solent LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award*</b>	27.5	57.7	85
<b>Previously committed funding</b>	18.5	6.2	24.7
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	14.9	14.9
<b>Total</b>	45.8	78.8	124.6

\*The Local Growth Fund award includes increases to the Housing Revenue Account borrowing limit for Winchester City Council by £359,969 to help support the development of new affordable homes. As this is also captured in the EM3 LEP Growth Deal, £0.2m has been added to the table above.

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

**Solent and Central Government have agreed to co-invest in the following jointly-agreed priorities:**

- **Fareham/Gosport package** (an initial enabling programme of works aimed at enable access to the strategic sites at Welborne and the Solent Enterprise Zone) - with funding agreed for (1) preliminary works associated with the Stubbington Bypass, and (2) a Local Road network improvement package (including Peel Common Roundabout), and (3) initial site preparation work/land remediation at Welborne, and a provisional allocation to (4) M27 Junction 10 upgrade to 'all moves' starting beyond 2016. It is recognised that in addition to this co investment and the provisional allocation to M27 junction 10, the local area have identified a requirement for further co-investment to support improvements to the strategic transport infrastructure on the Fareham/Gosport peninsula (including the construction of the Stubbington bypass) and onsite development at Welborne. This will inform the negotiation of the next iteration of the Solent Growth Deal and there is an ambition to progress this in 2014. The LEP have flexibility over the management of these projects and their phasing in order to deliver the greatest economic benefits to the area, and this has been agreed.
- **Whiteley Way** - route to join the existing community of Whiteley and the planned new development to the north of Whiteley to the existing highway network.
- **Cross-Solent connectivity** – to modernise and relocate the ferry terminals in East Cowes and Southampton.
- **IoW College** – a centre of excellence for composites, advanced manufacturing and marine technology.
- **Eastleigh College** – upgrading existing college facilities, including a new Advanced Technology block.
- **Solent Growth Fund** – extending an existing programme to provide further business start up grants, support for young entrepreneurs and expansion funds for existing businesses.
- **Solent Mitigation and Itchen Package** – a package of measures working with Defra and its agencies to take a more strategic approach to environmental disturbance mitigation across the Solent area and to specifically address flooding risk in Itchen Riverside.

**Local flexibility over Growth Deal programme:** Solent has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area, and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The Solent will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

The Growth Deal does not amount to an endorsement of everything submitted in the Local Enterprise Partnership's Strategic Economic Plan. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

## **The Solent Growth Deal**

The investment secured by the deal will be focused on three key areas to deliver transformative growth:

**Enabling flagship sites for housing and employment:** A multi-year programme of infrastructure investment in Fareham and Gosport to support the development of a substantial new town at Welborne, north of Fareham, with a planned 6,350 new homes, including a new “all moves” junction 10 on the M27. This will also improve access around the Gosport peninsula to support growth in the Enterprise Zone (Daedelus) and ultimately Gosport Waterfront, creating 3,000 new jobs in the period to 2021 and enabling 248,000 sqm of floor space for businesses. In addition, the Deal will invest in a £14m transport package to support North Whiteley by providing a major new transport link to the existing highway access in the area which will support the current community and enable 3,500 new homes and create 500 new jobs.

Solent LEP will also be pioneering a new approach to working with local public sector land owners, with the Department for Transport and agencies in a joint Strategic Land and Infrastructure Board. The board will take a strategic approach to the release and disposal of land across the Solent area, and will support the joint planning and delivery of transport.

<b>Solent LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• In the period to 2021 invest at least £150m in the Fareham/Gosport transport and housing package (including £9.6m from New Homes Bonus).</li> <li>• Invest £150m in North Whiteley transport and housing package.</li> <li>• Deliver 16,800 new homes (3,500 at North Whiteley and 13,300 across the broader area through environmental mitigation measures); The LEP and local planning authorities commit to working together to deliver the housing provided for in local plans.</li> <li>• Initially create 248,000sqm of new employment space (130,000sqm through Fareham / Gosport package and 118,000sqm across the Solent delivered through environmental mitigation package).</li> <li>• Provide the secretariat and support for the Solent Strategic Land and Infrastructure Board. The LEP and local partners agree to share information about land, property and transport investments where not commercially sensitive. The LEP will work with local partners to prepare a joint asset strategy and programme for disposal, re-use or redevelopment of surplus land and property</li> </ul>	<ul style="list-style-type: none"> <li>• Invest an initial £19.7m to improve transport and connectivity in Fareham and Gosport and some initial enabling work at Welborne (with £6m in 2015/16), and a further provisional allocation of £14.9m for junction 10 M27 starting beyond 2016.</li> <li>• Government will work with the LEP during 2014 to negotiate a further phase of co investment to deliver additional strategic infrastructure to support the development at Welborne and network capacity to and from the Gosport peninsula (including the Stubbington bypass).</li> <li>• Invest £14m in transport improvements to enable the development at North Whiteley (with £3.7m in 2015/16).</li> <li>• Government will work with the LEP and local partners to create a Solent Strategic Land and Infrastructure Board to take a more strategic view of public land and property in the area, and to support the joint planning and delivery of transport. The Cabinet Office Government Property Unit will chair the Board, which will prepare a joint asset strategy and a programme for the disposal and re-use or redevelopment of surplus land and property. The Homes and Communities Agency, Ministry of Defence, Department for</li> </ul>

<ul style="list-style-type: none"> <li>Partners will work together to develop a Solent Transport Investment Plan, drawing together known investments, for the period 2015-20 to better align planned investments – this will support the joint asset strategy and will help inform future investments.</li> <li>Invest £7m in a package of environmental mitigation measures.</li> </ul>	<p>Transport, Highways Agency and Network Rail will be members of the Solent Land and Infrastructure Board and the Defra agencies. Membership will be extended to other key public and private sector bodies.</p> <ul style="list-style-type: none"> <li>Invest in a £4.5m package of environmental mitigation measures, with £1.5m funding in 2015/16. Natural England will work with the LEP to support a more strategic approach to environmental mitigation.</li> </ul>
--	---

**Enhancing transport connectivity across the area:** The Deal will invest in a package of transformational measures to support strategic developments, relieve congestion and reduce journey times across the Solent area. The deal will provide a £15m investment package to transform and modernise the Red Funnel terminals at East Cowes and Southampton, improving connectivity and removing capacity constraints. Moving the ferry terminals will release land to underpin the Southampton Royal Pier and East Cowes regeneration schemes, which will include employment space and 550 new homes. In return, Red Funnel will invest £15m in refurbishment of the ferry fleet.

<b>Solent LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>Red Funnel will invest £15m in the refurbishment of the ferry fleet.</li> <li>Deliver 550 new homes and bring forward 48,700 sq m employment space in East Cowes and enable the development opportunity at Southampton Royal Pier.</li> <li>The Local Enterprise Partnership and partners agree to the Local Enterprise Partnership to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities.</li> <li>The Local Enterprise Partnership agrees to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities.</li> <li>Progress on the development and delivery of the priority transport schemes identified by the Solent LEP Funding, Finance and Performance group and the Solent Growth Forum (that supersede the Local Transport Body) that are fundable within available pre-allocated Local Growth Fund resources.</li> </ul>	<ul style="list-style-type: none"> <li>Invest £15m to transform and modernise the Red Funnel terminals at East Cowes and Southampton; (with £6m in 2015/16).</li> <li>The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with Local Enterprise Partnerships as key local stakeholders.</li> <li>The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working</li> </ul>

<ul style="list-style-type: none"> <li>• Progress on the development and delivery of the priority transport schemes identified by the Solent Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources.</li> </ul>	<p>arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</p>
--	---

**Growing the skills base and supporting business growth:** The Deal includes a package of measures to enhance skill levels in the area to enable young people to take advantage of jobs in growing sectors, including marine, maritime and advanced manufacturing. Through the deal, the LEP will invest in upgrading existing college facilities, including a new Advanced Technology block, at Eastleigh College. This investment will increase the number of young people enrolling on science, technology, engineering and maths course by 10% year on year between 2014 and 2020. In addition, the LEP will create a new centre of excellence on the Isle of Wight focused on the growth area of composites. The centre will be supported by the global engineering company, GKN and based alongside their high-tech facilities.

Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal.

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

The deal will also build on the existing Solent Growth Hub, launched as part of the Southampton and Portsmouth City Deal, to extend its work as a “one stop shop” directing businesses towards existing national and local sources of business support. In addition to this, the Solent Growth Fund will expand the successful Bridging the Gap programme to support strategic supply chains in the Solent by providing start up grants, support for young entrepreneurs and expansion funds for existing businesses. The LEP estimates this will create 1,800 new jobs and 500 new businesses. To further

support business, the LEP and Portsmouth City Council will commit to boosting SME voucher take-up as part of the Super-Connected Cities Programme.

Solent LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Eastleigh College to invest £3.4m to upgrade their estate. IoW College to secure £1.3m to create a new Centre of Excellence for Composites on the Isle of Wight (£750K from the land, £500K equipment donated by employers).</li> <li>• 2,500 new Apprenticeships in the period to 2021 (1,250 in Eastleigh and 1,250 from the Composites Centre of Excellence).</li> <li>• Align funds in support of the LEP's EU commitments on information, advice and guidance, Apprenticeships, employer ownership of skills and support for young unemployed people.</li> <li>• On careers advice, the Solent LEP will facilitate stronger linkage between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service.</li> <li>• The Government expects Solent LEP to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</li> <li>• Consider skills implications as part of decision taking on growth strategies.</li> <li>• Clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector.</li> <li>• Positively engage the FE and skills sector in</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £9m to upgrade facilities at Eastleigh College (including £4.4m in 2015/16).</li> <li>• Invest £10.9m to create a new Centre of Excellence for Composites on the Isle of Wight (including £3.8m in 2015/16).</li> <li>• On careers advice, the Government commits to working with Solent LEP to help ensure that local employer priorities are fed into the operations of the new NCS providers in Solent LEP.</li> <li>• This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment, the government provided £450k through the Southampton and Portsmouth City Deal towards a 'Young Persons' Fund' to trial innovative new approaches to tackling youth unemployment within the area. Alongside this Growth Deal, the Government expects Southampton and Portsmouth to deliver against its commitments towards youth employment.</li> <li>• Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> <li>○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment.</li> <li>○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of</li> </ul> </li> </ul>

<p>key strategic partnerships e.g. Skills and Employment Boards.</p> <ul style="list-style-type: none"> <li>• Recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment.</li> </ul>	<p>England, designed to explore the mechanisms through which providers will account to LEPs for delivery.</p> <ul style="list-style-type: none"> <li>○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope, subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years.</li> <li>• Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery.</li> <li>• Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.</li> </ul>
---	--

<ul style="list-style-type: none"> <li>• Provide £350k of public and private funding in 2015/16 to support the delivery of the Solent Growth Hub.</li> <li>• Invest £32.9m to support the Solent Growth Fund</li> <li>• Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time.</li> <li>• To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Solent LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, Solent LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide £250k funding to the LEP to support the existing Solent Growth Hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</li> <li>• Invest £12m to support the Solent Growth Fund (£2m a year, commencing 2015/16).</li> <li>• UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment.</li> <li>• The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li> </ul>
--	--

**As part of the deal, the LEP will:**

- **Strengthen governance:** To support growth, the Solent area will strengthen its local governance arrangements, creating the Solent Local Growth Forum, which will provide an important advisory and scrutiny role for the Solent LEP investment programmes and the delivery of the Strategic Economic Plan. The Group will include amongst its membership all 12 local authorities of the LEP area, along with representation from higher education and colleges, business, trade unions, and government agencies (Highways Agency, Environment Agency and Network Rail). The Group be formalised with a joint agreement and will advise the Solent LEP Board directly.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks.
- **Ensure implementation and demonstrate success**, by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics

and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.

- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.

## APPENDIX 11D

Proposed modifications to Policy WEL41 and supporting text:

40.35 Therefore, the Council expects site promoters to use the phasing principles and guidance within the Concept Masterplan Phasing Plan ~~this chapter of the Welborne Plan~~ as well the IDP to produce a detailed phasing plan and an infrastructure delivery plan strategy for the implementation of the development. This phasing plan and infrastructure delivery plan implementation strategy will need to be submitted to the Council for approval alongside initial planning applications for development at Welborne. In line with the principle of a flexible approach, the site promoters will be expected to keep the phasing plan and infrastructure delivery plan implementation strategy under review and submit any changes to the Council for approval alongside relevant planning applications.

### **Deferral of Contributions**

40.36 ~~The approach to ensuring development viability is set out in Chapter 1. This emphasises that the Welborne Plan aims to ensure that necessary infrastructure (including affordable housing<sup>1</sup>) could be fully delivered at the time it was needed, as a fundamental requirement for achieving the vision for Welborne. However, it also indicates that all parts of the Welborne Plan were underpinned by the principle of ensuring that a flexible approach would operate, where necessary, to allow for changes in development viability and to ensure that the development as a whole remained deliverable throughout the plan period.~~

40.37 ~~As part of this flexible approach, the Council is introducing a 'deferral of contributions' policy that will apply only where necessary and justified by independently tested viability assessment. In such circumstances, application of the policy will allow the deferral of some infrastructure requirements to be considered by the Council.~~

40.38 ~~In cases where the Council agrees to defer infrastructure, application of the deferral of contributions policy will seek the subsequent provision of any deferred contributions (or the delivery of the deferred infrastructure items) within the same main phase of the development. If this cannot be achieved, as demonstrated by an independently tested viability assessment, then the deferred infrastructure contributions or provision will be sought in the following main phase, in addition to the 'normal' requirements of that new phase.~~

40.39 ~~Where viability problems remain, a further independently tested viability assessment will be required to take account of previous and future costs and revenues, the 'normal' infrastructure requirements of the new phase and any outstanding deferred infrastructure requirements. This viability evidence will need to be submitted to the Council for agreement alongside initial planning applications for the new main~~

---

<sup>1</sup> Although this section refers primarily to 'infrastructure' this should be read as including affordable housing requirements. A detailed approach to how the deferral of contributions policy would apply to affordable housing is set out in Chapter 6.

~~phase. Where the Council accepts the on-going viability constraints, the deferral of contributions policy will be re-employed as set out in the previous paragraph. Where, despite deferral, an item of infrastructure remains unviable, the Council and site promoter will agree an alternative approach which does not require the specified infrastructure, to funding to ensure that infrastructure necessary to support the development can be delivered when it is required but which nevertheless achieves mitigation of the impacts of the development. This decision would be informed by an independently tested viability assessment.~~

- ~~10.40 In all cases where more than one infrastructure item is being deferred as set out above, the Council will agree with any relevant infrastructure or service providers which of the deferred infrastructure items should be provided first as priority during that main phase of the development, should any claw-back of contributions be triggered by improving market and economic conditions.~~
- ~~10.41 The detailed guidance setting out how the deferral of contributions policy will be operated by the Council is set out within the Welborne Planning Obligations SPD.<sup>2</sup>~~

#### **WEL41 – Phasing and Delivery**

**Initial planning applications for development at Welborne shall be accompanied by a detailed phasing plan and strategy for implementation of infrastructure delivery plan for the whole Welborne development. This phasing plan and infrastructure delivery plan implementation strategy will be guided by the Phasing Plan (set out within the Concept Masterplan Phasing Plan Chapter 10 of the Welborne Plan) and by the Infrastructure Delivery Plan that supports this plan. Once approved by the Council, the detailed phasing plan and infrastructure delivery plan implementation strategy will be kept under review over the life of the development, with changes being submitted to the Council for approval alongside relevant planning applications.**

**The phasing of development and associated infrastructure at Welborne shall be in accordance with the agreed detailed phasing plan and infrastructure delivery plan implementation strategy, unless it can be demonstrated that suitable appropriate infrastructure is available and the development can be adequately serviced.**

**~~Some overlapping between one main phase and another may be acceptable, providing it can be demonstrated that the earlier main phase has been substantially completed and that any key infrastructure items, upon which the later phase depends, have been fully delivered.~~**

**~~Proposals which would result in the delivery of unsustainable and isolated development, or that would place an adverse impact on the amenity of existing residents, for example by creating an infrastructure deficit, will be refused.~~**

---

<sup>2</sup> ~~The Welborne Planning Obligations SPD will be produced during the course of 2014 and will be adopted by the Council at the same time as the Welborne Plan in early 2015.~~

~~Where, following an independently tested viability assessment, a deficit in the infrastructure (or affordable housing) provision necessary to serve any main phase of the development is accepted, the Council will employ its 'deferral of contributions policy', as set out within the Welborne Planning Obligations SPD. The objective of this policy will be to claw back any agreed deficit, subject to market conditions improving sufficiently to trigger the claw-back element of the policy.~~