

The Local Plan Part 3 :The Welborne Plan (LP3)

Statement of Common Ground

As agreed between

Fareham Borough Council and

BST Warehousing Ltd and Buckland Developments Ltd

9th October 2014

Introduction

1. This Statement of Common Ground has been prepared jointly between Fareham Borough Council (“the Council”) and BST Warehousing Ltd and Buckland Development LTD (“the joint promoters”).
2. The Statement sets out the points of agreement between the Council and the joint promoters with regard to the Council’s Local Plan Part 3: the Welborne Plan (LP3) (“The Welborne Plan”) and supporting documents/evidence base to assist the Inspector during the forthcoming independent Examination of the Welborne Plan

Background

3. The joint promoters have been working with the Council over a number of years to secure the delivery of a new community to the north of Fareham comprising approximately 6000 dwellings, a secondary school and primary schools, new district and local centres and community hub and community facilities together with significant employment land and appropriate infrastructure including roads, improvements to junction 10 of the M27 and open and green space.
4. The parties are committed to delivering this new high quality and sustainable community as expressed in the vision for Welborne (paras 2.4 to 2.10 of the Welborne Plan) and the high level development principles for Welborne as set out in Policy WEL2 of the Welborne Plan.

Agreed Matters

Delivery

5. The parties agree that the Welborne Plan provides a suitable policy context with appropriate mechanisms to enable the delivery of the proposed new Welborne Community within the Plan period up to 2036.
6. The joint promoters will prepare and submit a planning application to enable the delivery of the development within the plan period and the planning application will generally conform with the Strategic Framework for Welborne (see para 1.49 of the Plan) and will be guided by concept masterplan and the Welborne infrastructure delivery plan (IDP) as identified within the Plan.
7. The parties agree that the concept masterplan and the IDP are intended to guide the preparation of a planning application and are not intended to prescribe the content of any such application. The detail of any application will be determined through the normal planning process.

8. The parties agree that an IDP approach is an appropriate delivery mechanism to enable the delivery of the strategic infrastructure requirements which have been identified, in principle, in the Plan.
9. The joint promoters have raised concerns on the scope of the IDP and how that impacts on the viability of the Plan. Both parties agree that the flexibility which has been introduced in the submission version of the Welborne plan with regard to the phasing of the development, masterplanning and infrastructure delivery, together with those issues which are addressed below, are sufficient to enable the delivery of a comprehensive and viable scheme at Welborne.

Viability

10. The Council recognises the joint promoters requirement for a minimum threshold land value of £100,000 per gross acre NPV and that this will be the working assumption to be used by the site promoters in progressing their viability modelling in support of their emerging scheme and forthcoming planning application.
11. The Council recognises the joint promoters requirement to demonstrate a return to the enabling developer of the scheme in the following terms “20% return on cost (including development management, project management and overheads). The Enabling Developers return is to be taken against all enabling costs (infrastructure works and land acquired). This assumption is considered reasonable and in line with industry standard benchmarks, subject to a reduction to a minimum of 15% relative to the level of public funding”. This will be a working assumption to be used by the site promoters in progressing their viability modelling in support of their emerging scheme and forthcoming planning application.
12. The Council recognises the joint promoters requirement to demonstrate a return to housebuilders in the following terms “20% profit on Private Gross Development Value (GDV) and 6% profit on Affordable Cost”. This will be a working assumption to be used by the site promoters in progressing their viability modelling in support of their emerging scheme and forthcoming planning application.
13. The GVA viability modelling which forms part of the evidence base for the examination highlights as a working assumption the need for substantial public investment in the scheme.
14. The Council and the other public sector partners have also agreed to apply these working assumptions subject always to them not fettering their statutory position.
15. The Council and the joint promoters agree that within the policy regime proposed by the Welborne Plan the IDP (January 2014) is not prescriptive and, as provided in paragraph 10.34 of the draft plan, it is not designed to be a rigid list of exactly what infrastructure will ultimately be needed to support a sustainable new community. Accordingly, the parties agree that it will be

for the planning application, properly informed by a viability model/appraisal which will set out what infrastructure which will be delivered and the phasing for that delivery.

16. The parties agree that the joint promoters' approach (as identified in Issue paper 11) is properly a matter for consideration as part of any future planning application and does demonstrate the flexibility within WEL41 and the plan in general to enable a developer to bring forward viable solutions to deliver Welborne.
17. Within the context of the proposed Plan the parties are satisfied that a viable scheme can be delivered.
18. The parties acknowledge the conclusions of the GVA Stage 2 Viability testing report (January 2014)(EV30) on the Council's IDP (prepared by AECOM dated January 2014) but agree that;
 - a. Those conclusions were based on any planning application being obliged to provide the infrastructure prescribed by the IDP and in accordance with the indicative concept masterplan (Document Reference EV-38)
 - b. No allowance was made for any third party funding towards infrastructure either by way of grant or other commitment
 - c. Changes were made to the Plan as a result of the conclusions of that report and further changes are proposed following discussions between the joint promoters and the Council including amendments to WEL41 and the supporting text to enable a developer led alternative viable approach to site phasing and infrastructure delivery to come forward
19. The parties agree that as part of the evidence base submitted to the Examination, the need for substantial public sector investment in the development has been highlighted.
20. The parties have been working jointly with a number of public sector bodies to secure public sector investment, including Solent LEP and the HCA and the parties agree that they will continue to work in partnership with these bodies to deliver Welborne.
21. The parties confirm that, based upon their discussions to date with public sector partners there is significant support for the Welborne proposals and that there is a reasonable prospect of the Scheme securing grant or loan funding to assist in the delivery of the project.
22. The joint promoters acknowledge that the level of public sector funding required to deliver the project will be determined through their viability modelling accompanying and informing the forthcoming planning application.

Matters that are Not Agreed, but that the Joint Promoters Wish to Record

23. The Joint Promoter's position is that the possible scenario of a lower level of return, referred to at paragraph 11 above, should only apply if the public sector were taking on financial and contractor risk, at the level envisaged in the proposed Growth Fund Deal.
24. The Joint promoter's position is that the technical valuation basis for calculating the Enabling Developers return, should be taken against all enabling costs as defined at paragraph 11, but including development management overheads.

Conclusions on Viability

25. Accordingly, notwithstanding the conclusions in the joint promoters issue paper 11 in respect of questions 11.1 and 11.2, the joint promoters are now satisfied that their issues will be met as part of the planning application process and that a suitable viable and deliverable scheme can be brought forward within the Welborne Plan framework.

Third Party Land

26. The parties agree that land outside the ownership of the joint promoters has been identified within the Welborne Plan boundary which is not within the control of the joint promoters.
27. The joint promoters and the Council are satisfied that there is a reasonable prospect of that land being made available if necessary, to contribute to the wider Welborne development. The parties will work collaboratively with third party landowners to bring this land forward if necessary and within the context of the joint understanding for the need for any third party land as set out in paragraphs 3.49 to 3.51.
28. The parties agree that the policies of the Welborne Plan are sufficiently flexible to deliver alternative viable solutions to the provision of third party land should that third party land not come forward.

Other Agreed matters

29. The parties agree to work collaboratively with any statutory agencies where necessary to support the delivery of the Welborne proposals.

30. The parties agree that policies WEL1, WEL2, WEL4, WEL7, WEL10-15, WEL19-21, WEL24, WEL26-28, WEL31, WEL33-35, WEL37-40 and WEL42-43 are appropriate to enable the delivery of the Welborne project.

31. The parties agree that the proposed modifications to policy WEL6 (set out in document CD-10, paragraph 3.8.4) paragraph 3.4.7, (set out in document CD-10, paragraph 3.8.5), paragraph 7.24 (set in document CD-14, paragraph 7.7.2), and WEL 41 (set out in document CD-18, paragraph 11.3.6) of the Welborne Plan resolve the concerns raised in the joint promoter's objections. The parties agree with the justification for these changes as set out in the Council's issue papers submitted as part of the EiP.

32. The joint promoters confirm that their objections to WEL5, WEL8, WEL11, paragraph 7.31 and policy WEL36 are withdrawn.

The Council and the Joint Promoters have prepared this Statement of Common Ground ahead of the Welborne Plan Examination Hearings.

This statement is agreed by

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Position: Director of Planning and Environment

Organisation: Fareham Borough Council

Signed:



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Position: DIRECTOR

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Signed:



Name: Charlie Hughes

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PROJECT MANAGER

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