
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

Report Number:

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

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.

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).
 - 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 be 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 10th 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: 5th 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 20th July 2021

Monitoring Officer comments

Date: 5th 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), 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?CId=126&MId=10626>

Cabinet decision related to Civic Plaza project February 2021

<https://havant.moderngov.co.uk/ieListDocuments.aspx?CId=128&MId=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: 5th August 2021

S151 Officer: 5th August 2021

Director: 20th July 2021

Portfolio Holder: 28th July 2021

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