

CABINET

15 September 2004

PRINCIPAL SCRUTINY COMMITTEE

27 September 2004

WEST OF WATERLOOVILLE MDA – FINANCIAL ISSUES

REPORT OF DIRECTOR OF DEVELOPMENT SERVICES

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RECENT REFERENCES:

WDLP48 - Pre-Inquiry Changes to the Local Plan Review: Analysis of Representations and Further Proposed Changes. Winchester District Local Plan Committee 8 April 2004 (and CL19, Council 14 April 2004)

EXECUTIVE SUMMARY:

Following the endorsement of the Masterplan layout for the West of Waterlooville Major Development Area (MDA) by Council in April, planning applications for the MDA are expected imminently. Subject to the applications being acceptable, the Council is likely to wish to conclude agreements with the applicants relating, for example, to infrastructure and affordable housing provision, transport measures, etc. This report sets out a number of areas in which additional resources will be needed to ensure that the Council is able to deal with the application expeditiously and is in a good position to negotiate and secure the necessary planning obligations.

RECOMMENDATIONS:

- 1 That, subject to the matter not being called in by Principal Scrutiny Committee, a supplementary estimate of up to £56,500 be approved to fund the necessary work on the forthcoming West of Waterlooville planning application and legal agreements, as detailed in this report.

CABINET15 September 2004PRINCIPAL SCRUTINY COMMITTEE27 September 2004WEST OF WATERLOOVILLE MDA – FINANCIAL ISSUESREPORT OF DIRECTOR OF DEVELOPMENT SERVICESDETAIL:1 Introduction

- 1.1 Work has been progressing on the planning of the West of Waterlooville Major Development Area (MDA) over several years, since it became apparent that this would become a requirement of the Hampshire County Structure Plan (Review). This has involved various stages of public involvement and consultation, including 'planning for real' type exercises and consultation on the various stages of the Local Plan Review. This culminated in the endorsement of a Masterplan layout for the MDA by the West of Waterlooville Forum (Winchester City Council, Havant Borough Council and Hampshire County Council Members) and the City Council in April 2004.
- 1.2 The Masterplan layout has been incorporated in Further Proposed Changes to the Local Plan Review, which are to be considered at the Local Plan Inquiry later this year. However, in general it overcomes many of the areas of disagreement between the local authorities and development interests and forms the basis for taking forward planning applications. The Masterplan also addresses many aspects of the MDA which have, in the past, formed the basis of public objection (e.g. the location of the proposed cemetery).

2 Planning Applications

- 2.1 Planning applications are being drawn up by the main development interests (Grainger Trust and Wimpey Homes) at the time of writing this report, and are expected to be submitted in September 2004. It is currently understood that there are likely to be separate applications by each party. However, Grainger Trust, which controls the majority of the MDA area, is expecting to submit an application for the whole MDA Masterplan area. It is expected that the applications will be in outline, with most matters apart from access reserved for future approval, but that a Masterplan will be submitted for approval with the application (reflecting the agreed Masterplan layout).
- 2.1 Members will be aware of the pressures being faced by the Development Services Directorate in trying to meet Government targets for the speed of dealing with planning applications. Because of the lack of capacity in Development Control, planning consultants were appointed to process the planning application for Winchester City (North), with the costs of this being met by the legal budget and legal expenditure in the Planning Delivery Grant.

The pressures in Development Control remain as great and, with the Forward Planning Team (including the MDA officer) committed to preparing and presenting evidence for the Local Plan Inquiry until the end of the year, there is no prospect of seconding existing staff to deal with the West of Waterlooville planning applications within a time-scale that would enable them to be determined within Government targets.

- 2.2 It is, therefore, proposed that consultants should again be appointed to process the planning applications. As these relate to a completely different site to Winchester City (North), and as the consultants appointed to deal with that application would have a conflict of interests in dealing with West of Waterlooville, it is proposed that this work be put out to tender. In order to be in a position to appoint as soon as an application is submitted, a letter has been sent to 5 planning consultancies inviting tenders, but no formal appointment will be made until Cabinet has considered this report.
- 2.3 The costs of processing the applications for West of Waterlooville are likely to be similar to those for Winchester City (North), or possibly somewhat higher as there will be at least 2 applications, albeit overlapping. The initial tender bid for Winchester City (North) was approximately £18,000, although further work needed to be commissioned to deal with the extra information requested of the applicant, bringing the total cost of dealing with the application to the point of it being considered by Development Control Committee to approximately £28,000. Following the recent submission of an appeal against non-determination of the Winchester City (North) application, the Finance and Resources Portfolio Holder has approved funding of £30,000 to retain the same consultants to deal with the appeal on the Council's behalf.
- 2.4 Although some £30,000 is set aside from the Planning Delivery Grant for 2004/05 for consultancy for MDAs, major applications and development briefs, this was mainly for pre-application work on major sites such as West of Waterlooville MDA. For example, the Council jointly appointed urban design consultants to input to the Masterplan production process and has also contributed to a joint assessment of infrastructure requirements (see below). It is likely that further urban design and other consultancy will be required to support the Council's case at the Local Plan Inquiry, in addition to the work identified in Sections 3 and 4 below. Therefore, much (approximately £19,000) of the Planning Delivery Grant funding is either spent or will be needed for other identified work. Also, there is currently uncertainty about whether some of the Planning Delivery Grant may need to be repaid. Should there be an underspend at the year end in the Planning Delivery Grant this may be able contribute to the costs of appointing consultants to deal with the application, but at this stage it is considered likely that additional funding will be required for this work and a supplementary estimate of £30,000 is, therefore, put forward for approval by Cabinet.

3 Infrastructure and Affordable Housing Provision

- 3.1 As noted above, consultants were jointly appointed in 2003 to refine the draft 'shopping list' of infrastructure requirements produced by officers and to advise on the financial implications of these requirements for the development. It was envisaged that this would provide the commissioning Councils (Winchester City Council, Havant Borough Council and Hampshire County Council) with a clear 'bottom line' in terms of what the development could afford to contribute to infrastructure provision. This would then form a

good basis for the authorities to prioritise their infrastructure requirements and to determine more precisely what they expect the development interests to provide and what would need to be provided by a variety of service providers.

- 3.2 Unfortunately, the consultants found they needed to spend more time than originally estimated working on researching and refining the 'shopping list' and were not able to reach a clear conclusion on what the development could afford to fund. The results were, therefore, somewhat disappointing but, as the consultants had considerably exceeded the amount of time they had estimated for the work, it was mutually agreed that the work would be brought to a close with no increase in the original fixed fee of £25,000. A meeting is due to be held on 1st November 2004 with the partner authorities' Members to consider the infrastructure requirements of the MDA and their prioritisation.
- 3.3 A further difficulty is that the various infrastructure requirements which form the 'shopping list' are constantly being refined and updated, making it difficult to produce a final total. In addition, other requirements, such as for affordable housing provision and employment provision, do not necessarily involve a direct 'cost' and are not therefore included in the shopping list, but do involve a reduced income (compared to market housing). It may be necessary to appoint consultants to undertake further work on infrastructure issues, possibly including involvement in negotiations on the Councils' behalf, but any decision on this should await the outcome of the joint meeting between the three authorities on 1st November.
- 3.4 With regard to affordable housing, a joint housing needs survey for the area likely to be served by the MDA was carried out in 2002. This resulted in the target in the Local Plan Review for 50% of dwellings to be affordable, although of this only approximately 1/3rd would be social rented, with 2/3rds being shared equity or other forms of low cost home ownership. The 50% proportion has been the subject of objections by the development interests and is one of the main areas of objection that both development interests will continue to pursue through the Local Plan Inquiry.
- 3.5 Given the priority attached by the City Council to affordable housing provision, and concern about how robust the earlier work would prove to be when scrutinised at the Inquiry, David Coultie Associates (who undertook the City Council's District-wide housing needs survey in 2002/3 and have given evidence on affordable housing needs for the Council at the Local Plan Inquiry) were commissioned to undertake a new 'desk-top' study of the affordable housing needs of the MDA. This will draw on existing information, including the previous survey and housing information from the local authorities concerned, rather than involving new survey work. The likely costs of this work, including appearance at the Local Plan Inquiry, are estimated to be £6,500.
- 3.6 The various infrastructure and affordable housing issues are likely to be the subject of discussion, negotiation and challenge by the development interests at both the Local Plan Inquiry and in negotiating draft planning obligations associated with the planning applications for West of Waterlooville (assuming that the applications are capable of being recommended for approval). In view of the importance of these matters for the success of the MDA, it is recommended that adequate funding is made available to cover the necessary consultancy costs. At present these amount to £6,500 for the affordable housing work but further work on infrastructure may need to be

commissioned following the local authorities' meeting in November. An allowance of, say £10,000, should be made to enable this work to be commissioned quickly if agreed by the authorities.

4 Legal/Section 106 Obligation Costs

- 4.1 The adopted Structure Plan and the emerging Local Plans for Havant and Winchester provide for the development of the West of Waterlooville MDA. The principle of the development is, therefore, established and it should be possible to approve the forthcoming planning applications provided they are satisfactory and agreement can be reached on the contents of any planning obligations ('Section 106 agreements'). There may be objections to the Local Plan which are outstanding and on which the Council would wish to see the Local Plan Inquiry Inspector's recommendations before permitting an application.
- 4.2 The development interests are keen to progress work on the contents of the S106 agreements and anticipate drafting the agreements themselves, with the contents being agreed by the local authorities. Even so, there will still be a considerable workload involved for the City Secretary's Department, in terms of checking title, assessing the various drafts of agreements and involvement in negotiations. There is not currently capacity within the City Secretary and Solicitor's Department to undertake this work and it is therefore recommended that it be put out to an external firm of solicitors. The solicitors would be selected by the City Secretary and Solicitor, taking account of relevant expertise and costs.
- 4.3 It is estimated that the likely costs of appointing external solicitors to deal with S106 agreements would be approximately £10,000, some of which will be recoverable from the developer. In view of the development interests' desire to progress work on the legal agreements it is recommended that a supplementary estimate be agreed to enable this appointment to be made as soon as possible.

5 Conclusion

- 5.1 With the planning applications for the West of Waterlooville MDA imminent, it is important that the Council is in a position to deal with the applications promptly and professionally. It also needs to be clear about its requirements for infrastructure and affordable housing provision and to be able to promote these strongly through the Local Plan Inquiry and in negotiations with developers. These requirements will then need to be secured through S106 agreements.
- 5.2 There is not currently the capacity, or sometimes the expertise, within the Council to deal with these within the required timescale. It is therefore recommended that Cabinet agrees to a supplementary estimate totalling £56,500 to cover the various likely costs involved.

OTHER CONSIDERATIONS:

6 CORPORATE STRATEGY (RELEVANCE TO):

- 6.1 The successful development of the West of Waterlooville MDA is particularly relevant to the 'Homes and Environment' key priority, which commits the

Council to use its planning policies to provide a full range of high quality homes.

7 RESOURCE IMPLICATIONS:

7.1 As set out in the main body of the report.

BACKGROUND DOCUMENTS:

None (the consultant's report on infrastructure contains exempt information under paragraph 9 of Schedule 12A to the Local Government Act 1972 and is not therefore a background paper).

APPENDICES:

None.