

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 25th June, 2019 at 7.00 pm*

To:

Cllr D.E. Clifford, Leader of the Council
Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement
Portfolio Holder

Cllr Marina Munro, Planning and Economy Portfolio Holder
Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder
Cllr M.L. Sheehan, Operational Services Portfolio Holder
Cllr P.G. Taylor, Corporate Services Portfolio Holder
Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

Enquiries regarding this agenda should be referred to Chris Todd, Democracy and
Partnerships, on 01252 398825 or e-mail: chris.todd@rushmoor.gov.uk

A G E N D A

1. **MINUTES** – (Pages 1 - 8)

To confirm the Minutes of the meeting held on 25th May, 2019 (copy attached).

2. **RUSHMOOR DEVELOPMENT PARTNERSHIP - APPROVAL OF BUSINESS
PLAN** – (Pages 9 - 42)

(Paul Shackley, Chief Executive)

To consider Report No. CEX1904 (copy attached), which sets out the Rushmoor
Development Partnership's first business plan for approval.

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CABINET

Meeting held on Tuesday, 28th May, 2019 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement Portfolio Holder (in the Chair)

Cllr Marina Munro, Planning and Economy Portfolio Holder
 Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder
 Cllr P.G. Taylor, Corporate Services Portfolio Holder
 Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

Apologies for absence were submitted on behalf of Cllrs D.E. Clifford and M.L. Sheehan.

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **10th June, 2019**.

1. MINUTES –

The Minutes of the meeting of the Cabinet held on 2nd April, 2019 were confirmed and signed by the Chairman.

2. GENERAL FUND PROVISIONAL OUTTURN 2018/19 – (Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN1920, which set out the provisional outturn position on the General Fund (revenue and capital) for 2018/19, subject to audit. The Report set out the General Fund Revenue Summary and revenue balances, with the principal individual variations between the current approved estimates and actual expenditure.

The Cabinet was advised that, in its original budget for 2018/19, the Council had set a savings figure of £1.550 million, in addition to £325,000 of expected staff turnover savings. It was reported that substantial savings of £867,000 had been achieved during the first half of 2018/19 and this, along with further savings of £158,000 identified in a zero based budgeting exercise, had been incorporated into the Council's revised budget, as set out in Appendix A to the Report.

The provisional outturn showed an improvement in the Council's financial position, with a net underspend of approximately £2,233,065 against non-salary budgets. A summary of the key variances between the provisional outturn position and the current approved budget was set out in Appendix B to the Report. The net effect of the variances was to increase the General Fund revenue balance to approximately £3.251 million, which exceeded the top of the range of balances set out in the Medium Term Financial Strategy (£1 million - £2 million). It was proposed to transfer

any amount over the £2 million upper limit for the General Fund to the Stability and Resilience Reserve, the Service Improvement Fund and the Commercial Reserve, as set out in Table 3 of the Report.

It was reported that the revised Capital Programme of £45.737 million had been approved by the Council on 21st February, 2019. A portfolio summary of all approved projects was set out at Appendix C to the Report.

The Cabinet RESOLVED that

- (i) the draft revenue and capital budget outturn position, as set out in Report No. FIN1920, be noted;
- (ii) the carry forward requests from 2018/19 into 2019/20, as set out in Appendix F to the Report, be approved; and
- (iii) subject to the final outturn position, the transfers between the General Fund, the Stability and Resilience Reserve, the Service Improvement Fund and the Commercial Reserve, as set out in the Report, be approved.

3. COUNCIL PLAN 2018/19 - QUARTERLY UPDATE ON KEY ACTIONS JANUARY - MARCH 2019 –

(Cllr Adrian Newell, Democracy, Strategy and Partnerships Portfolio Holder)

The Cabinet received Report No. ELT1902, which set out the Council's performance management monitoring information for the fourth quarter of the 2018/19 municipal year. The Report indicated that most actions or initiatives were on track. It was reported that the Overview and Scrutiny Committee would be carrying out a comprehensive review of the Council's performance information.

The Cabinet NOTED the progress made towards delivering the Council Plan 2018/19, as set out in Report No. ELT1902.

4. REGENERATING RUSHMOOR - QUARTER 4 PROGRESS REPORT –

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet received Report No. RP1911, which set out progress towards the Council's Regenerating Rushmoor Programme for the fourth quarter of 2018/19. The Report indicated that good progress was being made in most areas.

The Cabinet NOTED the progress made towards delivering the Regenerating Rushmoor Programme, as set out in Report No. RP1911.

5. BUSINESS RATES - DISCRETIONARY GROWTH INCENTIVE RELIEF APPLICATION –

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN1916, which set out details of an application for discretionary rate relief, under the Council's Discretionary Growth Incentive Relief Policy, from Farnborough International Limited (Hall No. 1, Farnborough International Exhibition Centre, ETPS Road, Farnborough).

The Cabinet RESOLVED that discretionary rate relief of £60,000 per year be awarded to Farnborough International Limited in respect of the 2018/19, 2019/20 and 2020/21 financial years.

6. **BUSINESS RATES - DISCRETIONARY RATE RELIEF POLICY FOR DISCRETIONARY REVALUATION RELIEF –**
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN1917, which set out proposed amendments to the Council's Discretionary Rate Relief Policy to reduce business rates liabilities to those businesses that had been worst affected by the 2017 Business Rates national revaluation.

Members were informed that the proposed amendments were in respect of the percentage reduction to be awarded to qualifying businesses for the 2018/19 and 2019/20 financial years, in line with the tapered funding allocation received from the Government.

The Cabinet RESOLVED that

- (i) an increase in the percentage of relief awarded to qualifying ratepayers from 17% to 18.5% of the increase in rates payable for the financial year 2018/19, as set out in Report No. FIN1917, be approved; and
- (ii) the award of relief equating to 7% of the increase in rates payable for the financial year 2019/20, as set out in the Report, be approved.

7. **REVOCAION OF FOUR SUPPLEMENTARY PLANNING DOCUMENTS –**
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1927, which set out a proposal to revoke four supplementary planning documents, following the adoption of the Rushmoor Local Plan in February, 2019.

The Cabinet was informed that the four documents were considered to be out of date and many of the provisions contained within them had been incorporated into the new Rushmoor Local Plan. It was confirmed that eight supplementary planning documents would remain in force following this revocation and the effectiveness of these would be kept under review.

The Cabinet RESOLVED that, in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, the revocation of the Aldershot Urban Extension Supplementary Planning Document (SPD), the Housing Density and Design SPD, the Sustainable Design and Construction SPD and the Telecommunications SPD be approved, effective from 10th June, 2019.

8. **CONSULTATION ON DRAFT STATEMENT OF COMMUNITY INVOLVEMENT –**
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1928, which set out a revised Statement of Community Involvement (SCI) and sought agreement for this to be published for consultation.

Members were reminded that the Council's current SCI had been adopted in 2013 and was in need of updating, following the introduction of a number of changes to planning legislation since then. The purpose of the SCI was to set out how people and groups could engage with the planning system and get involved in the creation of local planning policy, neighbourhood planning and the planning application decision-making process.

The Cabinet RESOLVED that the draft Statement of Community Involvement (2019) be approved for public consultation for a period of six weeks.

9. **PUBLIC CONSULTATION ON THE DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT –**
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH1929, which set out the draft Affordable Housing Supplementary Planning Document (SPD) and sought agreement for this to be published for consultation.

Members were informed that the purpose of this SPD was to provide further guidance to support the implementation of the affordable housing policy contained in the recently adopted Rushmoor Local Plan and the housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022. It was explained that the Council's current affordable housing guidance was out of date and had less weight in decision making than an SPD, which could constitute a material consideration in planning decisions.

The Cabinet RESOLVED that

- (i) the draft Affordable Housing SPD be approved for public consultation for a period of six weeks; and
- (ii) the Head of Economy, Planning and Strategic Housing be authorised to make factual amendments to the SPD prior to the public consultation exercise.

10. **APPOINTMENTS TO CABINET WORKING GROUPS –**

The Cabinet RESOLVED that

- (i) appointments be made to Cabinet working groups for the 2019/20 Municipal Year as follows:-

Budget Strategy

Corporate Services Portfolio Holder -	Cllr P.G. Taylor
Additional Cabinet Member -	Cllr A.R. Newell
Conservative Group (3) -	Cllrs Mrs. D.B. Bedford, J.B. Canty and S.J. Masterson
Labour Group (2) -	Cllrs Gaynor Austin and A.H. Crawford
Liberal Democrat Group (1) -	Vacancy

Member Development

Democracy, Strategy and Partnerships Portfolio Holder -	Cllr A.R. Newell
Additional Cabinet Member -	Cllr Marina Munro
Conservative Group (2) -	Cllrs J.E. Woolley and vacancy
Labour Group (2) -	Cllrs Sophie Porter and P.F. Rust
Liberal Democrat Group (1) -	Vacancy

- (ii) the Head of Democracy, Strategy and Partnerships, in consultation with the Leader of the Council, be authorised to make appointments to these Groups during the 2019/20 municipal year, in order to fill vacancies.

11. **KPI LIMITED - ALTERATION TO DEVELOPMENT AGREEMENT –**
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP1913, which provided details of a request by Key Property Investments (KPI) Limited to extend the long-stop dates for the completion of Blocks 3 and 4 in the redevelopment of Farnborough town centre.

Members were reminded that the Council, as freeholder of the sites, retained step-in rights, should completion not be achieved by the target dates. It was reported that KPI Limited had made some progress on Block 3 and had demonstrated good faith by agreeing to pay the sum of £100,000 as a deposit to the Council, which would be returnable once a contract had been let for the construction of Block 3.

The Cabinet expressed its support for this approach and stressed the importance of progressing this part of the development.

The Cabinet RESOLVED that the proposed amendment to the development agreement between Rushmoor Borough Council and KPI Limited and St. Modwen, to allow the long-stop date for Block 3 to be extended to 31st October, 2021 and, in relation to Block 4, for work to be commenced within one year of the practical completion of Block 3, with Block 4 to be completed within two years of commencement of work on it, with a long-stop date of 31st October, 2024, be approved.

12. LEASEHOLD DISPOSAL - ALDERSHOT TOWN FOOTBALL CLUB, HIGH STREET, ALDERSHOT –

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP1912, which sought authority to grant a new long leasehold interest in the EBB Stadium, High Street, Aldershot to Love of the Game Limited trading as Aldershot Town Football Club (ATFC).

Members were informed that the new lease would assist the club with the redevelopment of the stadium and ancillary uses on the site. The Cabinet was assured that conditions would be in place to safeguard the Council's interests, as freeholders of the site, and these were set out in the Report. It was confirmed that the stadium occupied a prominent position on the High Street and was considered important to the regeneration of Aldershot town centre as a whole.

The Cabinet RESOLVED that

- (i) the grant of a new 118 year leasehold interest to Love of the Game Limited, trading as Aldershot Town Football Club, as set out in Report No. RP1912, be approved; and
- (ii) the Executive Head of Regeneration and Property, in consultation with the Major Projects and Property Portfolio Holder, be authorised to conclude negotiations for the grant of the new long lease, the rent reserved under the new lease being £1 per annum, to allow the club to raise funding for the redevelopment of the stadium site, subject to the conditions outlined in the Report.

13. NO. 168 HIGH STREET, GUILDFORD - ADMINISTRATION OF STEAMER TRADING LIMITED –

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP1910, which set out information around the administration of the Council's tenant, Steamer Trading Limited and future options for the site in respect of No. 168 High Street, Guildford, which was owned by the Council. The Chairman welcomed Cllr K. Dibble, who had requested to address the Cabinet on this issue.

Members were informed that the Council had accepted the surrender of Steamer Trading Limited's lease in order to be able to market the property again. This exercise had identified a new, potential tenant for the unit and, whilst this would result in a lower income for the Council compared to the previous tenant, it was considered that this represented the best option in the current trading conditions. It

was noted that this option would also necessitate further expenditure of £131,000 in respect of securing the lease and improving a vacant office suite at the rear of the building. Cllr Dibble expressed concern over the credentials of the suggested new tenant and requested that further checks should be carried out before the Council committed to the granting of a lease.

The Cabinet was supportive of the suggested approach and agreed that the Council should retain ownership of the property at this stage. In answer to a question, it was confirmed that the shops and individual offices were all subject to separate agreements with the Council.

The Cabinet RESOLVED that

- (i) subject to further reference checks, the letting to the new recommended occupier, as set out in Report No. RP1910, along with the necessary amendments to the budget, be approved; and
- (ii) the Executive Head of Regeneration and Property, in consultation with the Leader and the Major Projects and Property Portfolio Holder, be authorised to deal with the granting, renewing, surrendering and terminating of leases up to the value of £250,000 at this site until 28th November, 2019, as set out in the Report.

14. **THE GALLERIES AND HIGH STREET MULTI-STOREY CAR PARK, ALDERSHOT REDEVELOPMENT –**

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP1909, which set out an update on the Galleries and High Street Multi-Storey Car Park scheme.

The Cabinet was reminded that previously it had delegated powers to officers to confirm the final agreement with Shaviram Aldershot Limited but it was considered that, owing to the sensitivity and significance of the development to the regeneration of Aldershot town centre as a whole, it had been considered prudent to bring this matter back to the Cabinet. In response to a question, it was confirmed that the reduction in car parking spaces as a result of the scheme would be covered by spare capacity elsewhere in the town centre.

The Cabinet RESOLVED that, subject to confirmation that best consideration, under Section 123 of the Local Government Act 1972, could be achieved or, alternatively, any undervalue would be within the £600,000 limit set out in the General Consent Order

- (i) the disposal of the Council's legal interest in the existing High Street Multi-Storey Car Park, Aldershot and the acquisition of a long lease of a new 250 space car park within the Galleries redevelopment, as set out in Report No. RP1909, be approved; and
- (ii) the Executive Head of Regeneration and Property, in consultation with the Major Projects and Property Portfolio Holder, be authorised to agree the final terms of the transaction, which will include the following documents:

- Housing Infrastructure Funding (HIF) agreement with Homes England for the Galleries project;
- Grant funding agreement between the Council and Shaviram Aldershot Limited;
- Agreement for the surrender of the lease of the High Street Multi-Storey Car Park, in accordance with the Heads of Terms in the Exempt Appendix 2 to the Report; and
- Agreement to lease a new car park of approximately 250 spaces within the Galleries redevelopment, in accordance with the Heads of Terms in the Exempt Appendix 2 to the Report.

NOTE: The Cabinet considered that the section of the above resolution that referred to the Housing Infrastructure Funding (HIF) agreement with Homes England for the Galleries project was being made under urgency provisions to allow for the prompt signing of the document.

The Meeting closed at 7.58 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

CABINET

CHIEF EXECUTIVE

25 JUNE 2019

REPORT NO. CEX1904

**RUSHMOOR DEVELOPMENT PARTNERSHIP –
APPROVAL OF BUSINESS PLAN****SUMMARY AND RECOMMENDATIONS:****SUMMARY:**

The Council has established Rushmoor Development Partnership LLP (RDP) with Hill Investments Partnership Limited (HIPL) to support the delivery of the Regenerating Rushmoor Programme. This report includes the RDP's first Business Plan which sets out the key activities for the RDP and the processes for development of sites taken forward by the partnership. It also provides a position statement on the four sites currently being worked on.

RECOMMENDATION:

That Cabinet recommends to Council the approval of the first Business Plan of the Rushmoor Development Partnership.

1. INTRODUCTION

- 1.1 The Council established the Rushmoor Development Partnership in October 2018. Report CEX 1806 to Cabinet in September set out the key elements of the Partnership Agreement and other documentation that supported the RDP operation and would regulate the respective responsibilities and dealings between the Council and HIPL as Investment Partners and the conduct of the business and management of the affairs of the RDP.
- 1.2 The partnership has now prepared its first business plan and elected members were invited to a presentation on the business plan on 20 May 2019. The business plan is included at Appendix 1. Cabinet should note that Sections E and F of the plan are considered to be commercially sensitive and are therefore exempt from publication.
- 1.3 The Council has agreed that 4 sites would be included as the initial 'portfolio' for the RDP. These are
 - Civic Quarter, Farnborough
 - Union Street East, Aldershot
 - Farnborough Main car park (also known as Union Street West)
 - Parsons Barracks car park, Aldershot

- 1.3 The governance arrangements for the RDP were considered by the Licensing, Audit and General Purposes Committee at its meeting on 6 June 2019 (Report CEX 1903). The Committee agreed that for matters arising from the establishment and proposed site development processes for the RDP, the Council's established arrangements for decision making as set out in the Constitution, together with Statutory Guidance from MHCLG and other guidance from CIPFA were sufficient and would ensure that RDP business would be conducted in accordance with the law and proper standards, and that public money would be safeguarded, accounted for and spent economically, efficiently and effectively. The RDP governance and management arrangements were sufficiently linked to the Council's democratic processes to give assurance that the Council is not exposed to unacceptable or unforeseen risks.
- 1.4 Cabinet is asked to consider the business plan and confirm that it is satisfied that the approaches and proposals will as far as possible ensure the regeneration of the sites included and the RDP will support the delivery of the Regenerating Rushmoor Programme as envisaged. Decisions related to the transfer of land will be made under normal delegations as an executive function with individual site project plans from the RDP being presented in due course.

2. CONTENT OF THE BUSINESS PLAN

- 2.1 The business plan covers the strategic context for the Rushmoor Development Partnership and sets out its key objectives as follows;

"The key objectives of the RDP are to deliver growth and regeneration by the acquisition, marketing, investment in and disposal or retention for income of certain sites owned by the Council and/or third parties which will:

- Build on the sub-regional positions of Aldershot and Farnborough as shopping destinations, diversifying their offer and developing complementary leisure, restaurant, cultural and arts offers within an attractive environment;
- Make a positive contribution to the economic role and function of the Aldershot and Farnborough town centres as places where businesses provide quality employment and opportunities;
- Make Aldershot and Farnborough town centres great places to live with a wide variety of quality new homes attractive to a diverse range of people;
- Maximise financial return through enhanced asset value;
- Achieve targeted area development; and
- Procure a return to the Investment Partners commensurate to their investment and the level of risk in respect to such investment and so far as consistent with the overall objectives. "

- 2.2 The Business Plan sets out an overview of the Partnership including, the Board composition, responsibilities and functions and supporting Investment Team arrangements. The plan also details the partnership's governance and operational arrangements, investment strategy and site development process which is detailed in section 3 below. Finally, the business plan includes the key

deliverables for 2019/20 and provides a position statement on each of the four sites.

3. SITE DEVELOPMENT PROCESS AND ASSOCIATED LAND TRANSFER

3.1 The RDP's process for taking forward site development is set out in the draft business plan as follows:

- (1) Portfolio of council land sites agreed by the Council.
- (2) A project plan and accompanying financial appraisal and costings are developed by the Investment Team and agreed by the Board
- (3) HIPL provides funding and supporting resources to obtain a planning consent
- (4) The Project Plan sets out the planning strategy delivery, budget and development appraisal to be agreed by the Board.
- (5) Planning consent obtained.
- (6) The Council transfers each site into the RDP at an agreed value and time.
- (7) RDP Board decides to develop or (where required to cross subsidise the programme) sell all or part of a site
- (8) In the case of RDP development, a project cash flow model is prepared identifying the peak equity required from each partner. This includes the timing of payments and financial returns, plus any development debt finance required.
- (9) The Council has the opportunity to provide funding at this stage.
- (10) The Board agrees the funding commitments and subsequent construction agreements and monitoring arrangements.
- (11) An Operational Group will be established to oversee and scrutinise the construction programme through to practical completion. This group will report to the RDP Board on budget, risks and progress during the delivery phase together with matters such as sales values on the private units or land sales.

4 PROGRAMME

4.1 The deliverables and milestones for 2019/20 set out in Section F of the Business Plan indicate that, subject to a viable scheme being possible, by the end of the financial year each of the four sites would have a live planning application. This will represent significant progress in the first year of operation of the RDP.

5. MONITORING PROGRESS

5.1 Members will be engaged and updated on the work of the RDP in a number of ways. This will include a regular update seminar for all members, through the Policy and Projects Advisory Board who have a role in early scheme development, and more formal presentation to all members at the point of submission of a planning application. In terms of formal monitoring it is proposed that the RDP will report on a six monthly basis to the Council's Shareholder, the Chief Executive. The submission of the first business plan

should be seen as the first of those reports. In future the Chief Executive will enable consideration of an appropriate report by the Council's Overview and Scrutiny Committee on progress and by the Licencing, Audit and General Purposes Committee on any governance matters. This process is shown in the fig.1 below.

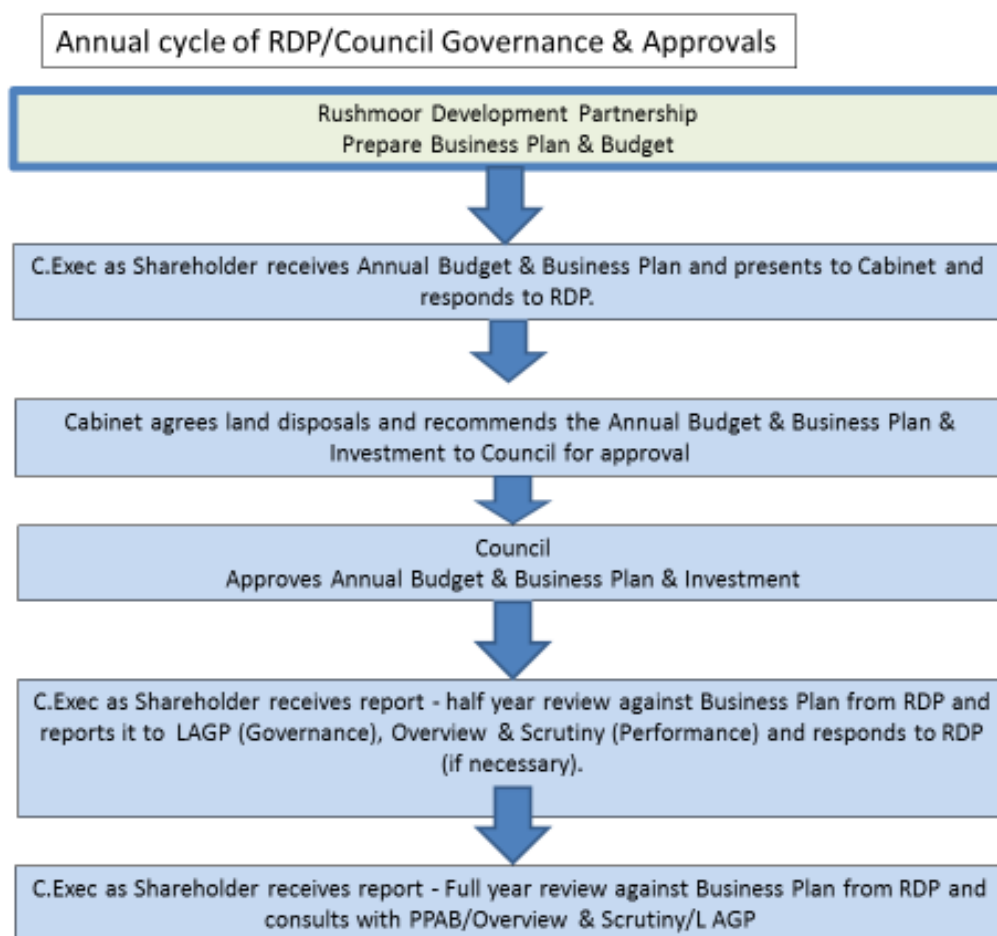


Fig 1.

6. LEGAL IMPLICATIONS

6.1 The legal framework and other arrangements for the operation of the Rushmoor Development Partnership are set out in the partnership agreement which was agreed by the Council in December. The governance of the partnership has been considered and agreed by the Licensing, Audit and General Purposes Committee.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications as a result of this report. The costs of operating the RDP are included within existing budgets and financial issues such as land transactions, loan agreements and any direct project costs will be

brought forward through individual reports as required and in accordance with the Council's current arrangements.

8. SUMMARY AND RECOMMENDATIONS

- 8.1 The RDP's Business Plan is a key part of the process for delivery of regeneration across the sites in the portfolio. Subject to the views of the Cabinet, Council will be asked to approve the first business plan of the RDP at its meeting on 25 July 2019.

BACKGROUND DOCUMENTS:

Reports to Cabinet:

Establishing The Rushmoor Development Partnership (RDP) - September 2018 (CEX 1806) and Council October 2018

Report to Licensing Audit and General Purposes Committee:

Rushmoor Development Partnership Governance and Oversight Arrangements – 6 June 2019 (CEX 1903)

CONTACT DETAIL:

Chief Executive – Paul Shackley - paul.shackley@rushmoor.gov.uk

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APPENDIX 1

Rushmoor Development Partnership LLP

Business Plan 2019 - 2020

June 2019

CONTENTS

EXECUTIVE SUMMARY	
SECTION A – STRATEGIC CONTEXT	5
SECTION B - OVERVIEW OF PARTNERSHIP	6
RDP Objectives	6
Structure	7
SECTION C – THE PARTNERSHIP BOARD AND THE INVESTMENT TEAM	9
Board Approvals	10
RDP Investment Team:	11
Tasks and Responsibilities Summary	14
SECTION D – SITE DEVELOPMENT PROCESS	15
SECTION E – THE SITES REGENERATION AND INVESTMENT MODEL	16
Site Development Appraisals	16
Structure of the Development Appraisal	17
Site Cross Subsidy	18
Supporting Agreements	19
Stamp Duty Land Tax (SDLT) Efficiency	19
SECTION F – SITES PROGRAMME	20
Union Street East / High Street	21
Parsons Barracks Car Park	23
Civic Quarter, Farnborough	23
Farnborough Main Car Park	24
APPENDIX 1 – CENTRAL RUNNING COSTS BUDGET	26

EXECUTIVE SUMMARY

The Rushmoor Development Partnership (LLP) (RDP) was established in October 2018 between Rushmoor Borough Council (RBC) and Hill Investment Partnerships (HIP), to support the delivery of the Council's ambitious borough wide regeneration programme.

The Members Agreement commits the RDP to producing an Investment or Business Plan setting out the overall objectives, vision and future of the RDP for the duration of the Partnership and the overarching objectives for the RDP for the forthcoming five years.

This Business Plan will be reviewed by the Board regularly but at least annually.

At commencement, the Council identified an initial portfolio of four sites from within its Regenerating Rushmoor programme. As these sites are progressed, additional sites from the programme may be included and others could also be identified.

The four sites are as follows

- Civic Quarter, Farnborough
- Union Street East, Aldershot
- Farnborough Main car park (also known as Union Street West car park)
- Parsons Barracks car park, Aldershot

The RDP Investment Team will prepare a Project Plan for each site. These project plans will include a financial appraisal and planning costs and will feed into a Regeneration and Investment Model overarching all sites. This will also include all anticipated RDP running costs.

This Model and the underlying cashflows will inform the Board of the following:

- Equity investments for each Partner
- Debt, bank or other third party funding requirements
- Project Cost payments
- Revenue Generation
- Recovery of RDP central running costs
- The recommendations to the Council regarding the value and timing of land transfers for each site

Initial analysis of indicative development values suggests that Union Street East site, Aldershot will need to be cross subsidised from the profits generated by the other sites. Further detailed costing and value work will be undertaken through the development of the schemes and will be incorporated into the project plans.

The principle of cross subsidy, and the coordinated site commencement timings, allows the RDP to progress both Aldershot and Farnborough proposals concurrently; supporting the Council's "Two Towns, One Mission" strategy.

The timing of external funding and conditions will influence the uses and phasing of development.

This Business Plan, along with its accompanying projects plans should be seen as living documents. Site objectives and parameters will be developed through a series of Board workshops and stakeholder and community engagement during the first twelve months. Objectives and outcomes will be finalised for each site and the Site Programme and Regeneration and Investment Model updated and approved by the Board.

In the first year of operation, the Partnership will aim to complete the detailed project plans for each site and work towards the submission of planning applications. It will be important for both partners to communicate, promote and embed the partnership objectives within both partner organisations, with core stakeholders and with residents and businesses across the borough.

SECTION A – STRATEGIC CONTEXT

The Council’s ‘Regenerating Rushmoor’ programme is a comprehensive partner co-ordinated approach to addressing the regeneration and place-making challenges facing the Borough’s key towns of Aldershot and Farnborough; whilst also seeking to achieve borough-wide economic growth. It directly addresses the priorities in the Council plan of “Sustaining a thriving economy and boosting local business” and “Supporting and empowering our communities and meeting local needs”.

The Rushmoor Development Partnership (RDP) is committed to supporting the Council’s ambitious regeneration programme, which seeks to build on existing assets and create distinctive, mixed-use town centres with a high quality retail, leisure, cultural, employment and housing offer. We will also identify opportunities to develop long term income generating assets for the Council.

RDP will work closely with residents and a broad range of partners to ensure that the towns become unique and vibrant places, which contribute positively to economic growth and encourage continued investment.

The Council’s vision for the town centres in 2028 is set out below:

“In 2028 the town centres of Aldershot and Farnborough will have a compelling offer and be vibrant and vital – they will have experienced a significant transformation and renaissance. With prosperous economies, they will be key destinations for residents, visitors, employers and investors. High-quality mixed-use redevelopment is offering an attractive environment with a distinctive retail, leisure, cultural, employment and residential offer. Aldershot and Farnborough town centres will be places that people are proud of and want to visit and spend their time and money in – whether by day or in the evening. Catering for everyone, they will offer a dynamic programme of cultural events, markets and activities building upon their unique heritage and histories. They will have strong reputations as family friendly town centres that positively complement their respective global brands.”

SECTION B - OVERVIEW OF PARTNERSHIP

RDP Objectives

The key objectives of the RDP are to deliver growth and regeneration by the acquisition, marketing, investment in and disposal or retention for income of certain sites owned by the Council and/or third parties which will:

- Build on the sub-regional positions of Aldershot and Farnborough as shopping destinations, diversifying their offer and developing complementary leisure, restaurant, cultural and arts offers within an attractive environment;
- Make a positive contribution to the economic role and function of the Aldershot and Farnborough town centres as places where businesses provide quality employment and opportunities;
- Make Aldershot and Farnborough town centres great places to live with a wide variety of quality new homes attractive to a diverse range of people;
- Maximise financial return through enhanced asset value;
- Achieve targeted area development; and
- Procure a return to the Investment Partners commensurate to their investment and the level of risk in respect to such investment and so far as consistent with the overall objectives.

Sites

The following sites are initially identified for RDP to develop:

- Civic Quarter, Farnborough
- Union Street East, Aldershot
- Farnborough Main car park (also known as Union Street West car park)
- Parsons Barracks car park, Aldershot

Approach

RDP will be strategic in its thinking and proactive in outlook, and not just focus on the sites at hand. Commercial opportunities, as part of housing schemes or standalone sites, can also address local requirements and provide the Council with investment returns, which could be re-invested in other opportunities or used to support services.

Both partners will share any investment upside equally, after payment of land value, site and running costs against loan notes. Both partners have an equal say in the decision making and governance processes. RDP is robust and appropriately resourced to fully deliver on the Council's aspirations drawing upon the best of the public and private sectors and exploiting synergies throughout.

Both RBC and HIP, through their Investment Team representatives and wider organisations, bring specific skills, experience and relationships to the Partnership.

The Council brings strong strategic and political links through its various local authority and partnership relationships. On a local level, the Council’s significant knowledge about the local economy and needs of local communities and businesses which together with its experience and enabling role is a key asset to the RDP.

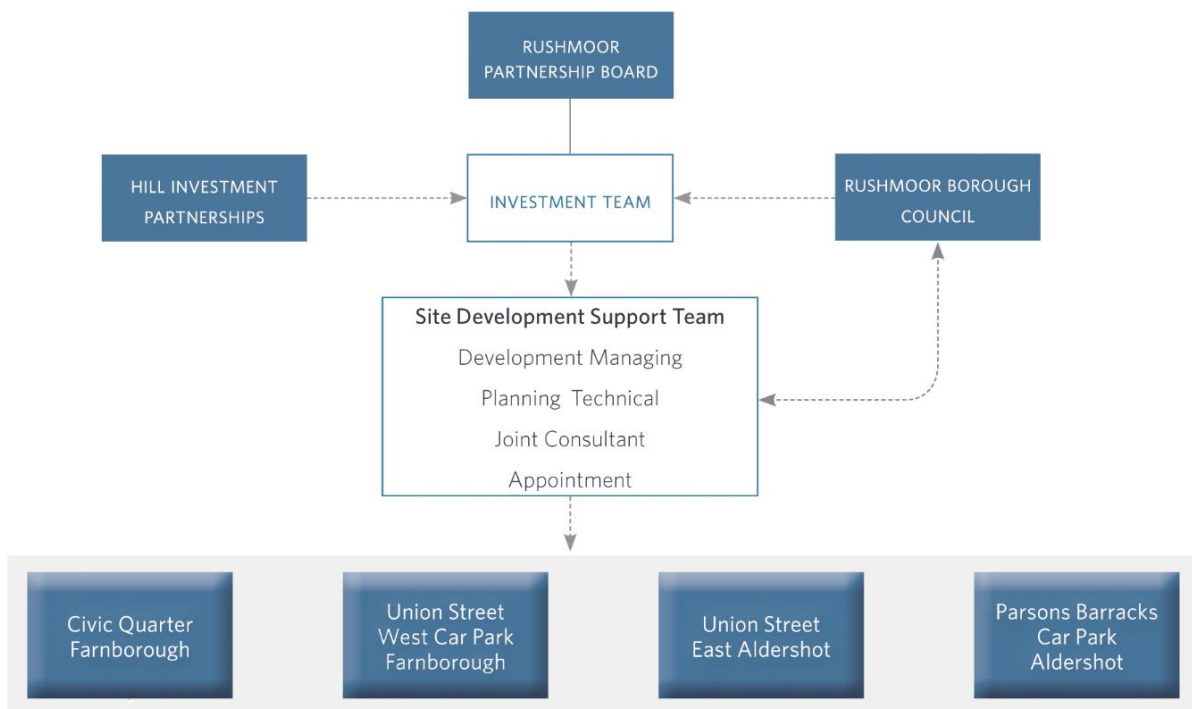
HIP brings investment, commercial, financial expertise and market relationships, together with its knowledge, skills and experience in development including land identification and acquisition, pre-construction work, obtaining planning permission, master planning, design and construction of infrastructure, design and construction of residential units, design and construction of other buildings, sales and marketing.

Together the strengths and expertise of both Partners will ensure that the RDP will successfully deliver Project Plan objectives and critically ensure the Partnership meets the Council’s regeneration priorities and targets.

Structure

RDP is 50:50 controlled by the Council and Hill Investment Partnerships , with a nominal £100 investment. The Chief Executive of the Council is authorised to act as Shareholder on behalf of the Council. The LLP will not be a public sector body for public procurement or accounting purposes.

The current delivery structure for the RDP is set out below.



A Members or Partnership Agreement has been signed by both partners. This document articulates the relationship, mutual decision making and development processes. It describes the formation of the RDP Board and the (operational) Investment Team and sets out arrangements for resolution of any conflicts.

For the avoidance of doubt whilst this Business Plan sets out the operational framework and anticipated delivery, the Members Agreement will always prevail and sites identified within the Business Plan will only be taken forward once the Partners and Board have approved a site project plan.

The remainder of this Business Plan provides an overview of the RDP's delivery processes, governance and a programme of anticipated sites. It is owned by the RDP Board, RDP Investment Team and both individual partners and will be reviewed at least annually to ensure it continues to meet the needs of the Partners.

Budget for central running costs

The budget for the RDP's central running costs will be agreed annually and updated as required. The current 2019/20 budget is attached as Appendix 1. Project budgets will be agreed as part of the project approval processes.

SECTION C – THE PARTNERSHIP BOARD AND THE INVESTMENT TEAM

The RDP will be overseen by the Board and managed on a day to day basis by the Investment Team.

RDP Board

The Board is made up of the following representatives nominated from each partner organisation, with each partner exercising one collective vote.

Cllr David Clifford, Leader of RBC

Cllr Martin Tennant, Major Projects & Property Portfolio Holder - RBC

Karen Edwards, Executive Director – RBC

Greg Hill, Deputy Chief Executive – Hill Group

Ernie Battey, Non-Executive Director – Hill Group

Neil Williams, Group Finance Director – Hill Group

The Board will exercise strategic oversight of the delivery of the RDP regeneration objectives and the Investment Plan, incorporating the sites, projects, delivery, strategy, resources, cashflow and investment returns. The Board also establishes the overall performance and delivery targets and approves budget.

LLP Board Members have a legal obligation to operate in the best interests of the RDP. These responsibilities will be reinforced at every board appointment.

The Board as a whole is collectively responsible for the success of the RDP and, as such, its role is to:

- Provide entrepreneurial leadership within a framework of prudent and effective controls that enable risk to be assessed and managed.
- Set the strategic aims of the RDP in ways that delivers the Council's strategic objectives and appropriate returns to both Partners.
- Set the values and standards of the RDP and ensure that its obligations to its Partners and stakeholders are understood and met.
- Approve Project Plans and expenditure to support site delivery.
- Ensure that the necessary financial and human resources are in place for the Investment Team to meet its objectives, and review management performance.
- Ensure that the Investment Team has the appropriate delegations in place to expeditiously and effectively deliver site Project and Delivery Plans and objectives.
- Aim to arrive at balanced and objective decisions in the performance of its agreed role and functions.
- Ensure the objectives of RDP are fully, promptly & properly carried out.

In addition to the specific responsibilities set out in the Board Reserved matters below the RDP Board will:

- Act as champions and advocates for RDP within each Partner organisation; with the external partners and in relation to wider stakeholder groups including other public sector/commercial partners and local communities.
- Ensure that local and community stakeholders have an appropriate voice in the decision-making process.
- Ensure that RDP lives its partnership values and strives for continuous improvement and innovation

in everything it does.

- Ensure that the Business Plan enables outcomes that benefit, support and sustain the local community.
- Contribute to the Councils' strategic thinking where it is relevant to the work of RDP.
- Constructively challenge and help develop all aspects of RDP's business.
- Develop the role of RDP in ways that create synergies between the two partners that delivers measurable improvements in local services: the mix of directors on the Board will bring a range of perspectives and a good mix of public/private expertise to strategy development and decision making.
- Make sure that effective management arrangements and an effective team are in place in the organisation.
- Help to clarify which decisions are reserved for the Board, with clear delegations to the Investment Team.
- Hold the Investment Team to account for their performance, including challenge and scrutiny.
- Ensure that the internal controls of the RDP are robust so that risks are properly mitigated and managed and performance information is accurate, timely and relevant.
- Be discriminating about getting involved in matters of operational detail for which responsibility is delegated to the Investment Team, but to intervene where it is considered there are significant commercial or reputational risks that could materialise.
- Be accountable for any shortcomings identified through audit or other external scrutiny processes and to ensure that they are redressed effectively and promptly. All Board Members must take decisions objectively in the interests of RDP.

Authority to Act

All Board Members must ensure that they have sufficient the necessary delegated authority for the performance of their duties, from their partner organisation to make decisions at Board meetings, and, where required, seek additional authority through following their own internal governance processes and procedures.

Board Approvals

The following are the Board Reserved Matters referred to in the Members Agreement, except to the extent provided for in the Project Plans or this Investment Plan.

1. Adoption of the First Investment Plan and each first Project Plan.
2. A material variation to any Project Plan.
3. Extending the LLP's or any Project SPV's activities outside the scope of the Business or closing down any business operation.
4. Giving or taking any loans, borrowing or credit (other than normal trade credit in the ordinary course of business) in excess of those stated or referenced to in the relevant Project Plan.
5. Giving any guarantee, suretyship or indemnity to secure the liabilities of any person or assume the obligations of any person in excess of those stated or referenced to in the Investment Plan or in a Project Plan.
6. Creating any Encumbrance over the whole or any part of the undertaking or assets of the LLP in excess of those stated or referenced to in the relevant Project Plan.
7. Commencing, settling or defending any claim, proceedings or other litigation brought by or against the LLP or any Project SPV, except in relation to debt collection in the ordinary course of the Business.

8. Forming any subsidiary of the LLP that is not required pursuant to a Project Plan, or acquiring any shares in any other company, whether through subscription or transfer, such that the company concerned becomes a subsidiary of the LLP.
9. Entering into any partnership or profit sharing arrangement with any person or create any share option, bonus or other incentive scheme.
10. Making any agreement with any revenue authorities or any other taxing authority, or make any claim, disclaimer, election or consent of a material nature for tax purposes in relation to the LLP, its business, assets or undertaking (including the Project SPVs).
11. Entering into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms, including disposing of any land at less than its purchase value.
12. Entering into any agreement to do any of the things referred to in the foregoing paragraphs of this schedule.

The Board of RDP has approved this first Business Plan, which starts to set out the programme to deliver the initial four sites, and the processes and the resources required to deliver. This Business Plan, along with its accompanying projects plans should be seen as living documents.

RDP Investment Team

The Investment Team is made up of the following representatives:

Paul Brooks, Executive Head of Property & Regeneration - RBC

Nick Irvine, Regeneration Delivery Manager - RBC

Martin Dawson, Project Accountant, Financial Services – RBC

Pram Nayak, Director - Hill Investment Partnerships

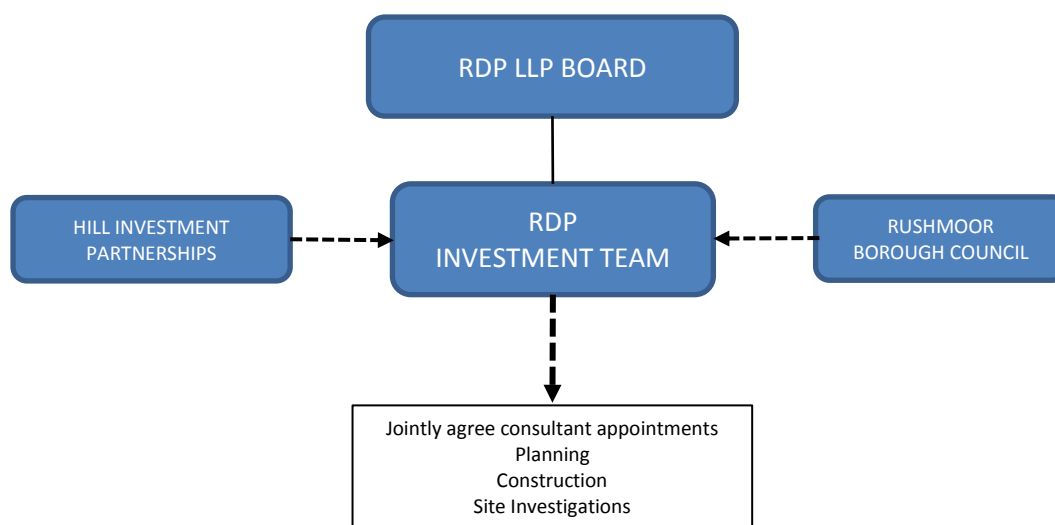
Terry Gamble, Senior Development Manager – Hill Group

Mary Shaw, Investment Manager – Hill Investment Partnerships

Harry Treanor, Assistant Development Surveyor – Hill Group

The day to day management, development and delivery of Project Plans and other strategic activity will be delegated by the Board to the Investment Team. Their principal role is to deliver the partnership business in accordance with the Investment Plan and as the Board may determine and authorise from time to time.

The Investment Team prepares Project Plans outlining site development proposals and recommends these plans to the Board for approval. It has day-to-day responsibility and management of the Project and Investment Plans. The Investment Team will be supported by planning, development, commercial and financial resources provided by partners and a consultant supply chain. It is intended this team will be co-located and work together as a single team with aligned goals.



The Investment Team shall have delegated responsibility to manage and deliver the objectives set out within this Business Plan and each approved Project Plan and to report to Board on a regular basis on progress. As with the Board the obligation to act in the best interests of the Partnership is also placed on the named members of the Investment Team. The Investment Team shall have no authority to take any action or make a decision that is not within the specific contemplation or defined parameters of the Investment Plan and in relevant Project Plans as approved by Board. Any decision of the Investment Team shall require all appointees present at a duly convened meeting to vote in favour of it. In the event of a disagreement, such matter shall be deferred to the Board for determination.

The Investment Team will continue to review the effectiveness of the Business Plan and resources and report to Board accordingly, in addition to dealing with any amendments required by Board. The programme, sites and exit strategy set out in this Plan are subject to on-going management and may change depending on market requirements or opportunities and Board will be kept informed of changes and amendments.

Investment Team roles and responsibilities:

- Optimise the future investment in Council land opportunities.
- Deliver the Council and Community’s regeneration objectives.
- Provide a return to the Investment Partners commensurate to their investment, the level of risk in respect to such investment to maximise the profits made by the LLP.
- Maximise financial return through enhanced asset value.
- Achieve targeted area development.
- Expand and develop the business through engagement with the market around a wide range of opportunities.
- Develop and support community consultation.
- Procure, appoint and oversee the consultant team resources required for the running of RDP and development and delivery of site proposals.
- Provide detailed reports to Board on a regular agreed timetable to ensure the Board has the information required to make decisions.

- Review and update the Investment Plan and Project Plans three months before the end of each

- accounting period for approval by Board.
- Agree the agenda and where appropriate Board papers in advance with the Chair of the Board or their nominated representative.
- Ensure that all Board members are appropriately briefed and advised.

Tasks and Responsibilities Summary

TASKS & RESPONSIBILITIES – 2018/19				
		RBC/HIP	RDP BOARD	INVESTMENT TEAM
Financial	Financial strength and solvency of IP		✓	
	Compliance with relevant tax & financial		✓	
	Set Budget		✓	
	Approve Budget		✓	
	Operating Expenditure (budgeted)			✓
	Operating Expenditure (unbudgeted)		✓	
	Capital Expenditure (budgeted)			✓
	Capital Expenditure (unbudgeted)		✓	
	Approve Bank Accounts and Signatories		✓	
	Administer Bank accounts and signatories			✓
	Produce Annual and Management Accounts			✓
	Approve Annual and Management Accounts		✓	
	Approve Bankers, Auditors, Lawyers, Architects		✓	
	Appoint Bankers, Auditors, Lawyers, Architects			✓
	Sale of land		✓	
	Purchase of land		✓	
Resources	Set up Suppliers Framework			✓
	Appoint consultants			✓
	Set up Work Package Tenders Framework and			✓
	Appoint work packages			✓
Business	Produce Business Plan			✓
	Approve Business Plan	✓	✓	
	Produce Project Plan			✓
	Approve Project Plans		✓	
	Material variation to any Project Plan		✓	
	Instruct start on site			✓
	Manage on site construction			✓
	Planning Application			✓
	Compliance with Members Agreement	✓	✓	✓

SECTION D – SITE DEVELOPMENT PROCESS

The RDP Site Development Process up to Planning Consent is as follows:

- Portfolio of council land sites agreed by the Council.
- A project plan and accompanying financial appraisal and costings are developed by the Investment Team and agreed by the Board.
- HIP provides funding and supporting resources to obtain a planning consent and the Council provides strategic leadership; the Council also has the opportunity to provide funding.
- The Project Plan sets out the planning strategy delivery, budget and development appraisal to be agreed by the Board.
- Planning consent obtained.
- The Council transfers each site into the RDP at an agreed value and time.

The Investment Partnership longer term delivery process is managed as follows:

- RDP Board decides to develop or (where required to cross subsidise the programme) sell all or part of a site
- In the case of RDP development, the Investment Team provides the Board with a project cash flow model identifying the peak equity required from each partner. This includes the timing of payments and financial returns, plus any development debt finance required.
- The Board agrees the funding commitments and subsequent construction agreements and monitoring arrangements.
- An Operational Group will be established including the Investment Team, Finance, Construction and external monitoring representatives e.g. the employer's agent, to scrutinise the construction programme up until practical completion. This group will report to the Board on budget, risks and progress during the delivery phase together with matters such as sales values on the private units or land sales.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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