

CABINET

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ECONOMY, SKILLS & REGENERATION
PORTFOLIO HOLDER**

21 APRIL 2026

REPORT NO. REG2602

KEY DECISION? NO

FARNBOROUGH CIVIC QUARTER – STRATEGIC REVIEW

SUMMARY AND RECOMMENDATIONS:

This report sets out the background and reasons for carrying out a Strategic Delivery Review of the Farnborough Civic Quarter project.

It recommends that a budget of £98,000 to be funded from the stability and resilience reserve be made available to carry out the review

1. INTRODUCTION

- 1.1. This report aims to set out the current status of Council activity in respect of Farnborough Civic Quarter (FCQ) and the next steps towards regenerating this key asset. The need for a Strategic Delivery Review (SDR) of the site is explained and a budget is requested to carry out the work.

2. BACKGROUND

- 2.1. In February 2023, the Council's Development Management Committee approved an outline permission in relation to the FCQ masterplan. Unfortunately, since the masterplans proposals were considered, a number of underlying parameters have shifted, negatively impacting the viability of the scheme in the current economic climate.
- 2.2. In the Council Delivery Plan 2026-28 under the regeneration priority the following activity is required:

“Undertake the Farnborough Civic Quarter masterplan review and work with key partners on potential phasing, funding, and implementation as part of a wider approach to the regeneration of Farnborough town centre.”

3. DETAILS OF THE PROPOSAL

General scope of review

- 3.1. It is proposed that the Council commissions a Strategic Delivery Review to inform regeneration activity on FCQ. The brief for the delivery review is below at Appendix I. This work is necessary to understand the real value of the Council's FCQ land assembly, and what is deliverable under a variety of economic and policy scenarios.
- 3.2. The accepted methodology for working out the value of land is via a 'residual valuation'. This subtracts the total cost of development (construction, fees etc) from the total value of that development (sales and capitalised lettings), and the result is the residual valuation of the land.
- 3.3. In order to generate an accurate valuation, work has to be carried out in terms of design studies, cost plans, commercial advice on sales/rental values and planning/transport consultancy to ensure the assumptions that the residual valuation is based on have been robustly tested.
- 3.4. To avoid producing a delivery plan that is unaffordable the review will start by developing a housing-led base case that generates the highest land value possible i.e. the Council acting in the same way as a commercial property owner. This will include meeting current planning policy obligations and any other non-negotiable requirements e.g. regulations or existing grant agreements.
- 3.5. Having a fully worked out base case and resulting land value will mean that the Council is in a very strong position to negotiate with any potential partners, investors or purchasers of land on FCQ.
- 3.6. Beyond the base case the review will consider further options to include other Council requirements, for example in relation to affordable housing, public realm, transportation, wider placemaking etc, beyond those which a commercial property owner might consider, resulting in a preferred option to be progressed that best fits the council's objectives. The review will also consider what the best route is to delivery.
- 3.7. Once the review has taken place the Regeneration Team will report back to Cabinet with suggested next steps.

Procurement & Cost

- 3.8. It is proposed that the Council uses the Pagabo Framework Lot 1 - Complete Service Solutions. This would utilise Atkins Realis, a national construction industry consultant to lead the review and provide cost advice, while giving flexibility in terms of sub-consultants to ensure that the Council gets exactly the right specialist input in terms of design, commercial and planning advice.
- 3.9. As rates have been competitively tendered when setting up the Framework, value for money is assured and procurement timescales/risks are minimised.

This is vital as it is important to get the review finished quickly to take advantage of any potential opportunities.

- 3.10. The Pagabo framework runs until April 2028 which will allow for the same team to be reprocured should the Council wish to move forward with development prior to that point.
- 3.11. In terms of budget, estimated costs (following some discussions with the industry) are as follows (ex VAT):

Element	£ Cost
Commercial Advice	25,000
Architectural/Landscape Design	25,000
Cost consultancy	15,000
Planning advice	10,000
Transport advice	10,000
Coordination	4,000
Contingency @ 10%	9,000
Total	£98,000

Alternative Options

- 3.12. Do nothing – not proceeding with the review would mean that the Council cannot deliver Council objectives agreed in the Delivery Plan. It would also put at risk the £1.72m One Public Estate, Brownfield Land Release Fund II grant which the Council has received and of which £716k has been expended on the demolition of the Pinehurst car park and under the One Public Estate grant conditions is due to be repaid on 31st March 2027 if the council cannot demonstrate the land is in development for housing.
- 3.13. Procure specialist advice directly – carrying out 5 independent procurement processes is beyond current Council capacity and would generate significant procurement risk. The proposed route allows the delivery team to be precisely tailored, which would not be the case under this option. It would also be very difficult to procure any further work using the same team should this be required in future.

4. IMPLICATIONS (of proposed course of action)

Risks

- 4.1. There is a risk that the SDR could find that there is no development option which creates land value. However, this is unlikely as the council is already in the process of selling a town centre site (Meads Block 3) for development at a positive value.
- 4.2. Carrying out the SDR reduces the risk of grant clawback as it is a clear step towards development and also provides the Council with a basis for mitigating this risk as a clear understanding of land value will allow for unconditional sale as a backstop option.

Legal Implications

- 4.3. There are no specific legal implications of this report. The SDR is an important step to enable the regeneration of this key asset and will assist in future decision making in respect of the same.

Financial Implications

- 4.4. Between 2020 and 2022 the council has invested £7.4m in land assembly for the FCQ project funded by borrowing, incurring circa £420k per year of interest and MRP cost to the revenue account. In the absence of an approved development scheme this cost cannot be capitalised and falls entirely upon the revenue account without any compensating income. In addition, the £716k One Public Estate grant drawdown to fund the demolition of Pinehurst car park is due to be repaid on 31st March 2027 if a housing development is not demonstrably being actively pursued. Should this happen, it will have to be funded by unsupported borrowing, incurring additional pressure on the revenue account. It is therefore a priority for the council to progress a strategy for the assembled FCQ land to achieve its housing and regeneration objectives and minimise the revenue impact of holding this land vacant any longer than necessary.

Commentary by Peter Vickers S151 02/04/2026

- 4.5. The funding for this project is not currently provided for within the Medium Term Financial Strategy (MTFS) as approved by Council in February 2026. Due to the MTFS projections, use of the stability and resilience reserve as per the recommendations will reduce available reserves to meet projected budget gaps. Therefore, a saving will be required to be identified to replace the reserve use. This will be reviewed alongside the MTFS and Outturn review due in Summer 2026.

Rosie Plaistowe-Melham, Financial Services Manager

Resource Implications

- 4.6. The review will be coordinated within resources currently held in the Regeneration team.

Equalities Impact Implications

- 4.7. An Equalities Impact Assessment screening tool was completed and the proposal was found to have a neutral impact. No further assessment is therefore required

5. CONCLUSIONS

- 5.1. This proposal is being made to comply with the requirements of the Delivery Plan. Completing the SDR will enable the Council to manage the risks around FCQ and increases the likelihood of successful delivery within the resources available.

LIST OF APPENDICES/ANNEXES:

Appendix 1 – Strategic Review Brief

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STRATEGIC DELIVERY REVIEW BRIEF

Farnborough Civic Quarter Masterplan & Development Delivery Review

1 Introduction

1.1 Rushmoor Borough Council is seeking to appoint a consultant to undertake an independent review of the Farnborough Civic Quarter (FCQ) Masterplan. This scope sets out the required services, deliverables, and expectations for the instruction.

2 Background

2.1 The Rushmoor Development Partnership (RDP) was granted outline permission for its FCQ masterplan proposals in February 2023 subject to the resolution of the associated S106 agreement. The outline consent included provision for:

- A new leisure centre
- Up to 960 new energy-efficient homes
- A new hotel
- Space for shopping and commercial development
- A replacement skatepark
- More than 1.93 hectares of green open space, including a high-quality central park
- Two mobility hubs, including a multi-storey car park, electric car charging points and cycle hire

2.2 Since the masterplan proposals were considered, a number of parameters have shifted, fundamentally altering the underlying assumptions determining what the FCQ is expected to deliver. These include changes to the highways layout to reduce infrastructure costs, implications of the Building Safety Act on design and delivery, challenges in the housing market and construction sector, and changes in intended uses on key plots – notably the leisure centre and car park now located on plots originally identified for other uses.

2.3 In addition, the Council's current financial position means it is severely limited in its ability to provide the capital investment required to drive forward development efforts itself and so needs to look to alternative delivery strategies to unlock regeneration and realise capital receipts.

2.4 In advance of a detailed consideration of the disposal and delivery options available to the Council, it is a necessary pre-requisite to review and update the proposed masterplan and associated policies to ensure it is fit for purpose in the current market, deliverable in practice, and capable of achieving a high-quality, flexible and viable town centre regeneration that is attractive to both the community and the wider development market.

2.5 The Council would therefore like to appoint a consultant to undertake a Masterplan and Development Delivery Review (MDDR) for the FCQ.

3 Masterplan & Development Delivery Review

3.1 The MDDR is expected to be a structured exercise designed to provide the Council with up-to-date evidence base and framework for decision-making on the FCQ. The MDDR will need to include the following tasks:

- Review the original brief and update it taking into consideration the council's overarching objectives set out in its delivery plan: Confirm objectives, roles, responsibilities, and reporting arrangements
- Planning and Policy Review: Reassess the planning position, including unresolved S106 matters, outline consent status, policy changes, implications of the Building Safety Act, Local Plan requirements (e.g. sustainability, design codes), infrastructure requirements arising from highways changes and planning options for taking forward a revised masterplan.
- Market and Financial Review: Provide independent analysis of demand, values, and deliverability across potential land uses including housing, office, leisure, hotel, education, retail, and community facilities. Consider current housing market dynamics, construction sector capacity and costs, and alternative or complementary uses. Assess investor appetite, funding sources, and delivery vehicles.
- Updated Outline Masterplan: Develop sketch solutions to refresh the existing masterplan so it reflects current market conditions, planning requirements, construction constraints and opportunities, sustainability and climate resilience objectives, placemaking principles, and design quality expectations.
- Options Appraisal and Viability Testing: Undertake viability testing of realistic development scenarios based on the refreshed masterplan. Include sensitivity testing (tenure mix, phasing options, funding approaches) and assess implications of revised plot uses such as the leisure centre and car park.
- Delivery and Sequencing Strategy: Identify optimal phasing and delivery approaches (e.g. direct delivery, disposals, partnerships) to unlock regeneration, maximise Council outcomes, and incorporate short-term interventions/meanwhile uses. Consider risk allocation and alignment with wider town centre regeneration objectives.
- Engagement: Undertake targeted engagement with key stakeholders including the planning authority, and development/investor market to test refreshed proposals and build confidence in deliverability.
- Final Report and Recommendations: Produce a consolidated report with cost estimates, land/plot values, delivery options, sketches, planning strategy, funding strategy, and recommended next steps. Provide a clear implementation roadmap (phasing priorities, governance, and delivery actions) and a summary document suitable for public communication.