

CABINET

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ECONOMY, SKILLS & REGENERATION
PORTFOLIO HOLDER**

20 OCTOBER 2026

REPORT NO. REG2604

KEY DECISION? NO

**FARNBOROUGH CIVIC QUARTER REGENERATION - STRATEGIC DELIVERY
REVIEW**

SUMMARY AND RECOMMENDATIONS:

In April 2026 Cabinet considered Report No. REG2602 and approved proceeding with a Strategic Delivery Review of the Farnborough Civic Quarter Project. The review is now complete and this report presents its findings along with a series of recommendations to move forward with regeneration on the Civic Quarter sites.

The outcome of the review confirms that the outline masterplan cannot proceed as originally planned due to a variety of external factors, new proposals are set out to deliver improvements for residents and to increase the vibrancy of the town centre. These would build on the successes of related projects, including the Landing town square, the Farnborough Pools & Fitness Centre and the new Loungers restaurant at The Meads Shopping Centre, to support a wider regeneration narrative for Farnborough.

Cabinet is RECOMMENDED to:

1. Note the outcome of the Strategic Delivery Review exercise.
2. Agree key principles (section 5.1) to guide the next stages of regeneration of the Civic Quarter sites
3. Delegate authority to dispose of land within the Civic Quarter for the purposes of housing and/or other uses within the wider scope of the existing Masterplan to the Executive Head of Property & Growth, Executive Head of Governance & Law and Executive Head of Finance & Section 151 Officer in consultation with the Housing, Planning & Property Portfolio Holder and note that associated legal and agency fees will be met from the capital receipt in due course.
4. Delegate authority to agree a variation of the grant agreement with One Public Estate for the Brownfield Land Release Fund and Phase 9 funding to the Executive Director, Executive Head of Governance & Law and Executive Head of Finance & Section 151 Officer in consultation with the Economy Skills & Regeneration Portfolio Holder

5. Having considered the options aimed at bringing vacant CQ plots back into use as well as improving the wider public realm environment as set out in Section 5, request that officers identify funding of £36,159 from the 26/27 budget for consultancy and works to enable the first stages of the proposed projects as set out in the draft project briefs and that the Executive Head of Finance be authorised to make any necessary virements.
6. Request officers make contact with Hampshire County Council to explore options for traffic calming alongside the installation of a new crossing on Meudon Avenue.

1. INTRODUCTION

- 1.1. This report presents the findings of the recent Strategic Delivery Review (SDR), which was agreed by Cabinet at its meeting on 21st April 2026. It also sets out the next steps in regenerating the Farnborough Civic Quarter (FCQ) area and resolves the question of how to manage the Council's commitments under grant agreements with One Public Estate.

2. BACKGROUND

Masterplan

- 2.1. Farnborough Civic Quarter is the area of land to the south of the main retail area in the town centre. It currently comprises public open space, together with the skate park and the vacant and hoarded sites previously occupied by the leisure centre (Plot B), community centre and police station. It also includes the new Farnborough Pools and Fitness Centre under construction, and the current Council Offices site. A red line plan of the wider site area has been included as Appendix 1 to this report.
- 2.2. An outline masterplan was developed for the site (including some of the surrounding land) and was approved by the Council's Development Management Committee in February 2022. Following its preparation, and in consultation with the Council's development partner at the time, the masterplan was determined as unviable and the scheme was unable to proceed any further. Significant contributors to the lack of viability were the significant costs associated with the introduction of a T-junction, increases in costs of materials and more recently, further increases to development costs for apartment developments over 18m following the introduction of the Building Safety Act (2022).
- 2.3. As a result, and to enable some progress and retention of Levelling Up funding the Council moved away from some of the parameters established in the 2022 masterplan. The highway changes in the masterplan were not considered realistic and the new Farnborough Pools and Fitness facility, currently under construction, was relocated to the Queensmead Car Park.. This left the

remainder of the masterplan site to the west of the Pinehurst Roundabout unencumbered by a leisure facility and able to be brought forward at any point. This was important given the links with grant funding received from Government to enable progression of the masterplan and the delivery of housing. See below

- 2.4. In April 2026 Cabinet agreed to a Strategic Delivery Review of the masterplan proposals to determine what development options might be possible for the remainder of Civic Quarter site. Atkins Realis were subsequently appointed to carry this out over the summer. The results of this are set out in Section 3 of this report.

Grant Funding linked to delivery of the Masterplan

- 2.5. In August 2023 the Council was granted £1,725,636 in capital funding from One Public Estate (OPE) under the Brownfield Land Release Fund (BLRF) to support the delivery of the masterplan. This funding was secured on the basis that it would be used to prepare and remediate land for housing development in line with the masterplan.
- 2.6. Given the changes to the location of the proposed leisure facility, at its meeting in February 2024 Cabinet considered report No. REG2402 which recommended the inclusion of the OPE grant moneys within the capital programme. This funding was intended to enable the demolition of the Pinehurst Car Park alongside support site preparation and utilities works across the various other CQ plots as required. The expectation at that time was that the disposal of other plots on the Civic Quarter for the development of housing across the remainder of the site would come forward within the grant timelines. Currently the longstop date for Land Release is 31 March 2027, but it is possible to extend these dates if there is a clear alternative pathway to the delivery of housing.
- 2.7. £662k of the available grant was spent on the demolition of Pinehurst Car Park. If the requirements of the Grant Agreement relating to Land Release are not met at some point, taking into account the ability to extend dates, this amount plus the remainder of the unspent grant will need to be returned.
- 2.8. The Council was also provided with a £300k grant obtained in 2024 under the One Public Estate Phase 9 programme which was used for design work related to the proposed Public Sector Hub. £225k of this grant is refundable and was linked to the sale of the Council Offices site, as at the time the offices were proposed to be relocated to the Leisure and Cultural Hub. With the move from the ambitious and subsequently unaffordable Leisure and Cultural Hub to the smaller Farnborough Pools and Fitness facility and the commencement of Local Government Reorganisation (LGR) the sale of the Council Offices site was put on hold. The repayment of the £225k is currently due by June 2027. Again, this date is negotiable provided there is a clear intent and could be linked to the disposal of an alternative plot on the Civic Quarter.

3. MASTERPLAN REVIEW

- 3.1. The Atkins Realis (AR) review is included in confidential Appendix 2. It considers a revised masterplan site adjusted as set out in Appendix 1 together with 3 other alternative scenarios based on a mix of uses.
- 3.2. None of the scenarios tested were viable in that they did not result in a positive land value. The review also demonstrated that the project has become substantially less viable since the 2022 planning decision.
- 3.3. The key reasons for this are as follows:
- Geopolitical events (Brexit, the pandemic, the Ukraine war, more recently Iran) have resulted in an increase in material and construction costs
 - The Building Safety Act (2022) has made the construction of taller buildings more expensive
 - Property values have remained relatively flat in real terms
 - Interest rates have increased substantially – the cost of debt to fund development is a large component of its cost
 - Absorption rates in Farnborough are low – it is a relatively small market, so it takes a long time for large developments to sell, and this increases development cost as debt must be held for longer.
- 3.4. The masterplan funding model was based sale of private residential to fund infrastructure, affordable housing and other wider benefits. This no longer works, as evidenced by the fact that when AR ran a scenario maximising the number of units of housing delivered, viability substantially worsened.
- 3.5. In summary, the review concluded that the masterplan was not deliverable via the expected route of either a development agreement or a joint venture with a developer taking on the entire site for the envisaged mixed use scheme. This was not only for the economic and regulatory reasons set out above, but also due to the Council's position in respect of Local Government Reorganisation (LGR); potential partners would not be certain as to the entity with which they were negotiating until the new unitary came into existence. This situation has been made more complex by Government's recent announcement that it was withdrawing its decision regarding LGR in Hampshire.

4. SOFT MARKET TESTING

- 4.1. As part of the strategic review Vail Williams (VW) were engaged to provide input on values and planning. They have also carried out a soft market testing exercise in respect of the FCQ site and their report is included as confidential Appendix 3 below.
- 4.2. The soft market testing engaged with three sectors that had been assessed during the Strategic Delivery Review to have potential interest in Farnborough Town Centre:

- Registered Providers (housing associations)
 - Care Home Developers
 - Build To Rent Developers
- 4.3. All three sectors expressed an interest in individual plots on the FCQ site, though in respect of residential, there was limited enthusiasm for high density development such as apartments. This is because a Master Developer would be responsible for wider site infrastructure and public benefit such as public open space, skatepark etc but a plot disposal contains cost and risk to the specific site for development.
- 4.4. It should be noted that all those contacted as part of the market testing exercise stated that they would only be interested in purchase on a subject to planning basis; there was no appetite for an unconditional purchase. This should be born in mind when considering the timescales and resource requirements for any land sale.

5. NEXT STEPS

Principles

- 5.1. Dissatisfaction with town centres remains the biggest concern to local residents. In the absence of a deliverable masterplan, it is important to consider how regeneration can be progressed and appropriate control of development and use of the site can be achieved if individual plots were to be sold. Whilst planning controls are a tool, unless the Council is directly involved in any partnership or other vehicle taking forward development there are limitations on what can be done to ensure development comes forward in desired timescales and achieves the desired outcomes.
- 5.2. It is proposed that the Cabinet agree some key principles to guide the next stages of regeneration on this site.
- 5.3. Key principles proposed for the next steps on Civic Quarter are as follows:
- Sale of land to satisfy OPE grant requirements, generate capital receipt, and provide new development in the town centre in line with the uses and outcomes identified in the current Masterplan
 - Achieves the earliest removal of hoardings around vacant town centre land
 - Provides new permanent or temporary amenities for residents and visitors adding vibrancy to the town centre environment
 - Achieves improvement of public realm upgrading the look and feel of the town centre's primary green public open space

Land Disposal

- 5.4. Given that the masterplan cannot proceed as originally intended there is a need for an alternative way forward. The Civic Quarter area cannot remain as it is

indefinitely with three large, prominent sites vacant and surrounded by hoardings. Between them the police station, community centre and ex-leisure centre sites constitute a large part of the town centre.

- 5.5. The AR report suggests that, as an alternative to taking the entire masterplan area forward, a strategy of 'parcellisation' could be considered and may be more attractive to the market. This would entail the Council selling a plot or plots with an indication of preferred use(s) but not setting out a full masterplan for the site.
- 5.6. A significant benefit of this approach would be that sale of part of the site would meet the terms of the grant agreement the council has entered into with the OPE in respect of Land Release and therefore would remove the risk of having to return the expended grant at some point.
- 5.7. Further, OPE has confirmed that the remaining unexpended grant could be novated to the purchaser for preparation and decontamination of the site, subject to the Council monitoring the proper use of these funds. This would allow the Council to avoid risks relating to procurement and contract management.
- 5.8. OPE has also stated that it expects the repayable element of the Phase 9 grant (£225k) to be returned on sale of land within the masterplan area.
- 5.9. In terms of delivery of development, sale of land to a Registered Provider could bring forward delivery of housing in the town centre. As well as providing much needed affordable accommodation, increasing the town centre population will benefit local businesses by increasing footfall. It will also help to provide more passive surveillance of the surrounding public space, reducing anti-social behaviour.
- 5.10. There is also interest from build to rent developers and care providers. A detailed marketing and disposal strategy will be developed as part of the next stage of this project if this approach is agreed.
- 5.11. The preferred first site for disposal would be the ex-leisure centre site as it is cleared, has good access and is ready for redevelopment. However, further engagement with potential purchasers is required before a final decision on parcelisation options is made.
- 5.12. Costs for marketing/commercial advice in relation to disposal would be budgeted in the same way as previous disposals, being deducted from capital receipts upon completion.
- 5.13. The other two hoarded areas in the Civic Quarter are the ex-police station and ex-community centre sites. The police station closed in 2014 and was demolished in 2017. The community centre closed in 2019 and was demolished 2021/22
- 5.14. It is not sustainable for large sites to remain unused in Farnborough town centre for such a long time. The prospect of imminent regeneration would provide temporary justification, but it is clear from the AR report that this is now unlikely until more favourable economic conditions return, and there is no timescale for this.

Meanwhile or Interim uses and improvements

- 5.15. The disposal of individual plots does present issues for those areas not being taken forward and Members have indicated that they would wish to consider alternative options other than leaving development sites hoarded.
- 5.16. Farnborough is far from alone in being in this position and there is a growing regeneration practice of finding and developing meanwhile uses for these sorts of sites. Typically, sites are leased for a period of 5-10 years during which it is hoped that the economic conditions for permanent redevelopment improve.
- 5.17. Categories of use include food/beverage, sports/leisure and cultural. There are many precedents for these sorts of developments, which can be relatively quickly delivered, and can help to revitalise an urban setting where the usual model of using private sale to fund wider benefits is not working. Crucially, these uses can be delivered by leasing land to specialist developers, which will produce a revenue stream for the Council.
- 5.18. It is acknowledged that the introduction of these meanwhile uses on leases ranging between 5 and 10 years will prevent disposal of the land they are on for that period. However, through the Strategic Delivery Review exercise it was clear that Farnborough's market could not support a significant volume of transaction sales simultaneously across multiple development plots. As a result, utilising these sites for meanwhile uses as part of a phased parcelisation approach is a sensible choice for the strategic management of the wider masterplan area over the short to medium term. This approach also allows RBC to retain control and react to changes in the market when considering subsequent plot sales.
- 5.19. A further strand of intervention is to the public open space and potentially to the roads in the area. Currently the central green area is maintained by the Council but has suffered from lower investment in seating and border maintenance. Further south towards Meudon Avenue or west towards the skatepark the environment deteriorates with the hoarding around the ex-community centre increasingly tired and due to its extent generating spaces that are not overlooked and can encourage anti-social behaviour.
- 5.20. If there is interest in the ex-community centre or police station sites, then the surrounding areas will have to be improved. Given that wider redevelopment is unlikely in the near or even medium term the portfolio holder has asked that improvement schemes be developed now and that a supporting business case be prepared.
- 5.21. The skatepark is in need of improvement but as it was due to be relocated if the masterplan was delivered this has not yet been coordinated. As the masterplan is not being delivered, then the skatepark should be refurbished and the surrounding environment improved and where possible opportunities taken to increase passive surveillance and reduce opportunities for anti-social behaviour.
- 5.22. In regeneration terms these are all relatively low cost interventions and will have a disproportionately positive impact on the town centre, increasing the value of Council-owned assets in the process.

Meudon Avenue

- 5.23. Meudon Avenue itself does not add to the overall environment. Currently it creates a barrier between the Civic Gardens and the rest of Farnborough to the South. A speed limit of 40 mph means that noise and pollution are increased. If Meudon Avenue could be reduced, then this impact could be reduced. There is also the possibility of creating a new pelican crossing between the open space and Elles Close play area to the south. This in turn could provide a new above-ground pedestrian and cycle route from the station and town centre south towards the business park, residential area and airport. Any scheme would need to be taken forward in partnership with Hampshire County Council.
- 5.24. Cabinet are recommended to approve officers contacting relevant HCC colleagues to explore taking forward a scheme on the lines of this proposal.

6. Alternative Options

- 6.1. Do nothing – there is an option to leave the site as it is and not carry out any further activity. This is not recommended as it would result in the council having to return the £1.7m BLRF funding, and in 2027 refund £225k from the Phase 9 sustainable grant funding without the offset benefit of a capital receipt. Furthermore, failure to undertake any improvement, regeneration or interim use activity would not improve Farnborough town centre and is likely to have a negative overall impact on the value of Council assets.
- 6.2. Sell part of the site but take no further action on interim or meanwhile uses. This option would mean that obligations in respect of OPE funding are met but would not provide any benefits to Farnborough town centre or residents/visitors beyond the prospect of new housing development, which could itself be imperilled by the lack of any wider improvements. While expenditure may be saved in the short term, some interventions are unavoidable in the longer term and costs are only likely to increase over time. Whilst these costs could have been picked up by a new unitary authority that is currently not likely in any event before 2029/30. There are also costs relating to the continual deterioration and vandalism of the hoardings and dealing with the increased growth of vegetation within them that will continue to increase as time goes on.

7. Consultation

- 7.1. Officers and members were consulted as part of the Strategic Delivery Review process.

IMPLICATIONS (of proposed course of action)

8. Risks

- 8.1. There are limited risks in respect of the proposed course of action. Sale of land would reduce the Council's risk in relation to the OPE grant funding. Any further

interventions or actions as a result of feasibility studies would require business cases to be agreed and further approval.

9. Legal Implications

- 9.1. There are no additional legal implications arising from the content of the report. Legal support will be required and appropriated budgeted as implementation moves forward, funded from the capital receipt. There is a governance issue raised in paragraph 10.1 which needs to be addressed.

Amanda Bancroft, 09.10.26

10. Financial Implications

- 10.1. The issue of the OPE monies being repaid needs to be revisited and reconciled to the information Cabinet was provided with when the Officer recommendation to demolish Pinehurst was progressed. The repayment of this money will have a significant detrimental impact on the council's available depleting reserves.
- 10.2. The proposals to refurbish the skate park, Meudon Avenue reduced speed limit and develop the 'Farnborough Fields' utilising the ex- community centre and police station sites are three projects that should be considered in their own individual merits with outline business cases (i.e., Project Initiation Documents) being worked up including objectives, resources, funding, ongoing management and revenue implications, risks, delivery methods, expected outcomes etc before Cabinet commits to any further budget provision to explore and involve consultancy surveys and other expenditure.
- 10.3. Sale of the former leisure centre site will be expedient in attempting to mitigate the OPE funds repayment and align with central government housing policy.
- 10.4. In line with the approved capital and borrowing strategy, the net capital receipt generated will be applied to reduce the £7.4m outstanding borrowing incurred in the land accumulation and demolition of the Civic Quarter site, with an annual revenue impact cost of £418,000 in interest and MRP payable for the next 47 years.
- 10.5. It will be appropriate to hold back any further expenditure decisions including the requested £36,159 until a clear direction has been agreed on the post LGR MTFS deficit to prevent any further drain of reserves to support the ability to set a legally balanced budget and MTFS with the use of reserves.

Finance commentary by Peter Vickers CFO s151 24/09/2026

11. Resource Implications

- 11.1. Human resource needs in respect of the recommendations will be met by existing resources. As stated above at 5.23 there is a request for feasibility funding of £36,159

12. Equalities Impact Implications

12.1. The Equality Impact Screening Assessment (Appendix 5) identified that the impacts were positive or neutral for all protected characteristics and therefore a full Equality Impact Assessment is not required.

13. Climate Change Implications

- 13.1 The Council's Climate Change Impact Assessment Screening Tool was used to determine any potential positive or negative impacts relating to climate change arising from the report's recommendations.
- 13.2 Given the proposals relate both to the approval to proceed with the disposal of a plot/s and early feasibility works to enable the first stages of the proposed projects, neither offers a fixed outcome that can be appropriately assessed using the full CCIA matrix.
- 13.3 Only once a preferred purchaser has been identified for the plot disposal/s and detailed proposals supported by business cases have been prepared for the interim use and public realm interventions can the climate change impacts be properly considered.
- 13.4 The CCIA Screening Tool and full CCIA Matrix will be revisited by Officers at both of these stages.

LIST OF APPENDICES/ANNEXES:

1. Site Plan
2. (Confidential) Atkins Realis Viability Report
3. (Confidential) Vail Williams Soft Market Testing Report
4. Draft Project Brief Documents
5. Equalities Impact Screening Assessment

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