



Purpose: For Decision

Committee report

Committee	CABINET
Date	12 NOVEMBER 2020
Title	NEWPORT HARBOUR MASTERPLAN
Report of	CABINET MEMBER FOR REGENERATION AND BUSINESS DEVELOPMENT AND DIRECTOR OF REGENERATION

EXECUTIVE SUMMARY

1. This report provides an update on the key activities undertaken by the council in continuing to progress the regeneration of Newport Harbour.
2. The Newport Harbour masterplan was approved by Regeneration Members' Board in January 2020 to go forward for the supplementary planning document (SPD) consultation stage. A formal consultation on the SPD process concluded in April 2020. The feedback from the formal consultation has been reviewed and ratification of an amended masterplan, taking account, of consultation feedback, is being sought from Cabinet.
3. The brief for the masterplan required all the constraints to development to be identified and opportunities for viable and deliverable projects to be explored. The resultant masterplan considers the economic, social and environmental factors, connected with redevelopment as well as outlining the community needs identified.
4. The masterplan is intended to provide the supporting framework within which individual planning applications can be brought forward by the council and other interested parties, enabling and de-risking the development process in terms of planning policy and land use. This is a pre-planning process and full planning permission would still be required on any future proposals.
5. With the council continuing to fulfil its role as place leader, this report recommends Cabinet notes the Newport Harbour masterplan and seeks to consider its adoption as a supplementary planning document to the draft Island Planning Strategy, once further flood risk assessment work is completed.

BACKGROUND

6. Since January 2017 the regeneration directorate has sort to secure better coordination between council regeneration aims and land use planning. The council has put in place corporate capacity to coordinate delivery responses to the Island's infrastructure challenges. Place making (previously known as physical regeneration) includes better realized public sector assets. One method of achieving this is to use masterplans as a framework for development in larger more complex sites. These act as an incentive for individual development proposals to come forward as a result of an agreed framework within which landowners concur on the main future uses of the area in question and the local planning authority endorses the overall approach that is proposed.
7. Newport Harbour is a key project in the Regeneration Directorate Plan 2019-2022. The Regeneration Members' Board meeting on 8 February 2018 took the decision to procure a masterplan. The design activity and resulting plan to be presented back to the board and then to Cabinet for ratification.
8. A design team was appointed October 2018 to review the previous concept design work and further stakeholder consultation was undertaken during the masterplan development stage. This took place between December 2018 and January 2020. A separate consultation report (see appendix) summaries the activity, objectives and modes of consultation undertaken for the Newport Harbour Masterplan.
9. The masterplan sets out ambitious proposals to regenerate the harbour area of Newport, re-uniting the town centre with its waterfront. A range of new build and redevelopment proposals are proposed in order to create new homes and jobs and establish new cultural and leisure facilities for the county town and the Island as a whole. A new pedestrian, cycle and foot bridge is also proposed, linking the two sides of the Medina river, along with other public realm enhancements.
10. Consultation on the proposed supplementary planning document ended April 2020. Twenty-nine responses had been received raising issues of character, cycling access, design, flood risk, parking and open space. The Environment Agency, as statutory consultee, also raised concern about flood risk and biodiversity due to updated climate change flood risk modelling standards.
11. The outcomes arising from the final consultation on the Newport Harbour Masterplan were reported to Policy and Scrutiny Committee for Neighbourhoods and Regeneration on 2 July 2020. At that meeting a local member raised concerns on behalf of local residents about the proposed housing on the Seaclose Gate site identified in the masterplan. Since that meeting consideration has been given to seeking delivery of housing in other parts of the masterplan area and the masterplan has been amended to reflect this.

STRATEGIC CONTEXT

12. The land around Newport Harbour has been identified as a key project for the Isle of Wight Council in the regeneration programme "Inspiration Island" (June 2019).

The Regeneration Strategy 2019-2030 aims to set out how the council is leading an agenda to ensure a viable economic future and make the Island a great place to grow up, live, work and visit.

13. For the Isle of Wight Council, its role in place-making is planning for the best use of its assets to create the environment in which new businesses can locate, local business can grow and appropriate housing can be delivered in the right locations. Across the Isle of Wight Council's portfolio, the council has made a commitment to look for ways to improve the condition and use of its land and bring derelict and redundant property back into use.
14. The draft Isle of Wight Covid-19 Recovery Plan identifies 'place' recovery as one of three pillars of recovery from the economic effects of the pandemic. Progressing the Newport Harbour masterplan to become a supplementary planning document will support the council's ability to increase the supply and accessibility of homes of all tenures, and the supply of workspace that responds to changing needs. Newport Harbour regeneration is a recovery action within the Recovery Plan.
15. Members may be aware of the recent government planning White Paper published in August 2020, which proposes radical changes to the planning system, including identifying zones for growth, renewal and protection. It is too soon to understand the implications of changes to the draft Island Plan Strategy and housing numbers. However, the timetable for new legislation may mean that the draft Island Plan may not reach the next stage before new legislation is passed. However, Newport Harbour as a brownfield site within a key regeneration area would likely be included as a "growth" area in any future Island Plan. It would therefore be prudent at this point, to still have a masterplan agreed for future growth in this area.

CONSULTATION

16. Extensive consultation has been undertaken to help inform the development of the masterplan. At every step the views of local businesses, local communities and, given its wider significance, the wider Island community have been sought and helped shape the plan. Some of the key issues and feedback involving communities and statutory consultees are addressed below:

DEVELOPMENT ON FAIRLEE ROAD

17. The masterplan and initial SPD indicated a potential development site for affordable housing at the entrance/road junction at Seaclose Park. No development was proposed on the park itself. The proposed "Seaclose Gate" site referred to an area currently used as a garage and some informal green space fronting Fairlee Road either side of Seaclose Park access road.
18. Following community representations this site has been withdrawn from the masterplan with the proposed numbers of affordable housing units being identified in other potential development sites in the wider masterplan.

HARBOUR REVISION ORDER

19. One of the development constraints identified at the outline business case stage for the project are the limitations placed on lengths of lease (maximum three years) on land within the harbour estate. A harbour revision order (HRO) to address this constraint was submitted in 2017 and the decision on the HRO is awaited by the Marine and Maritime Organisation (MMO), a government agency, with appropriate secondary legislation being required. The MMO undertook its own consultation of the proposed revision order in 2018. Officers continue to press the relevant departments to expedite this request.

FLOOD RISK

20. One of the main development constraints, also identified at the outset, is the potential flood risk issue for parts of the site. The masterplan recommends that in the next stage of the project, ie prior to any planning application, a site specific flood risk assessment (FRA) should be completed.
21. A multi-disciplinary team led by Kay Elliott architects were appointed in October 2018. The team also included Arup engineers to assess flood at a strategic level.
22. Arup provided an overview of the flood risk issues on the site and were integral to the design process. Within the masterplan the flood risk is acknowledged, and the recommendation contained within the masterplan is that site specific FRA should be completed at the next stage of the project. However, during the recent formal consultation process the Environment Agency has asked for the next level of detail beyond the scope of the masterplan commission.
23. The Isle of Wight Council level 2 strategic flood risk assessment October 2018, coordinated by planning policy also identified Newport Harbour, as one of 14 other sites included in the draft Island Planning Strategy, in the need for further flood risk assessment work. A procurement process to complete flood risk assessment work for the Island Plan is underway and will need to be completed to inform any future planning applications coming forward under the framework of the masterplan. This work is being tendered out.
24. The suggested approach by the Environment Agency is beyond the initial commission for the masterplan. However, given the Environment Agency response at the formal consultation to the masterplan it would be prudent for the council to understand the flood risk to a higher level of detail to help inform the detailed proposals going forward for the individual plots. The additional FRA work is being commissioned and is likely to be completed in early 2021.

FINANCE / BUDGET IMPLICATIONS

25. There are no direct budgetary implications in relation to endorsing the masterplan and considering its subsequent adoption as a supplementary planning document. The flood risk assessment work requested by the Environment Agency comes at additional cost beyond the masterplan project.

26. The potential to progress delivery of the masterplan will be dependent on finance and budget. The masterplan has been divided into sites that can be brought forward sequentially or in parallel. Phasing has been proposed to acknowledge various constraints and opportunities. Those sites with heavier infrastructure costs are helped by other development plots coming forward earlier.
27. The phasing has been spread over 15 years, in three phases and they are established to reflect the availability of the plot for development, risks including physical constraints associated with the development and cost, cashflow and other viability factors.
28. The regeneration of Newport Harbour is likely to be spread over ten to 15 years and will need to budget for significant infrastructure costs. There is scope to deliver circa £40 million (gross development value, GDV) of a total potential £70 million (GDV) within the first five years. To achieve all delivery across all sites in the first phase will require gap funding in the region of £5 million to £7 million, due to the relative low values and high build costs close to the harbour. The modest level of values means that all the public realm works and infrastructure will need to be funded separately through grants or council resources. Phase 1 has the potential to generate £4 million per annum revenue from commercial uses.
29. Residential development has an important role to play in creating viability and supporting growth of Newport in general. All three phases could deliver circa 228 units, 149 units included in phase 1. Of these there is potential for around 49 affordable housing units. Should the overall number of residential units not be achieved this would impact on the viability and the ability to provide affordable units.

LEGAL IMPLICATIONS

30. The council will need to have in place mechanisms to ensure separation of the role of the local authority as an active participant in the delivery of the masterplan and its role as local planning authority.
31. The council will need to be clear in the arrangements and responsibilities for undertaking any supporting infrastructure works and delivering local authority objectives, such as affordable homes, will impact on the viability of the masterplan delivery.
32. Supplementary planning documents provide further detailed guidance on local plan policy topics but do not form part of the statutory development plan. SPD must be prepared in accordance with the council's local development scheme and in accordance with their statement of community involvement. The SPD must not conflict with the adopted local plan.
33. Before the SPD is adopted, the LPA must prepare a consultation statement setting out who was consulted when the SPD was prepared, a summary of the main issues raised and how those issues have been addressed in the SPD.
34. SPDs are not subject to independent examination and the authority can adopt an

SPD either as originally prepared or as modified to take account of any representations received or any other matter the LPA consider relevant

OPTIONS

35. The options available to members in considering the masterplan and appendix in this report are as follows:

Option 1 - Endorse the Newport Harbour masterplan as originally developed and agree to consider its future adoption as a supplementary planning document.

Option 2 - Endorse the masterplan with the Seaclose Gate site being removed and agree to consider its future adoption as a supplementary planning document.

Option 3 - Note the progress with the masterplan requiring a review in twelve months time following the completion of additional flood risk assessment work for the Environment Agency and the receipt of a harbour revision order decision.

Option 4 - Not to endorse the Newport Harbour masterplan at this time.

EQUALITY AND DIVERSITY

36. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

37. There are no implications for any protected characteristics as a result of this decision.

RISK MANAGEMENT

38. There is a risk to the council in endorsing the masterplan, ahead of the additional flood risk analysis, if the Environment Agency uses the evidence gathered in the flood risk assessment to strengthen its objection to residential development on parts of the site with potential for flooding. However, the masterplan has a degree of flexibility that allows phasing and various options for individual sites to be changed in uses and design in response to any recommendations coming from the subsequent individual sites' FRAs.

39. There are several risks associated with the delivery of the masterplan and the ability to develop a full business case for the area as a whole with the challenges faced around viability. One of the key dependencies includes the harbour revision order and fully establishing legal title and ownership within the proposed masterplan boundary. Any reduction in overall numbers of residential units would also impact on potential viability.

40. Emerging requirements that have materialised during the lifetime of the project require funding to take the initiative forward, for example the cost of additional surveys and infrastructure costs will need to be met. There will be a need for environmental surveys and there are acknowledged viability challenges, but these do not prevent the council adopting the masterplan as SPD, in due course, to stimulate, channel and facilitate investment.

EVALUATION

41. Supplementary planning documents are documents which add further detail to the existing policies in the Local Plan. They can be used to provide further guidance for development on specific sites or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the overall development plan.
42. The government is proposing sweeping changes to the land use planning system and a consultation is currently being undertaken on these for a 12 week period. The outcome of the consultation and the effect on the Island Planning Strategy is currently unknown. It is unknown at this stage what status the masterplan as SPD would have under any new planning system.
43. The masterplan should not be viewed as a prescriptive final document but as a sketch plan setting a broad standard for an appropriate level of development with a fair degree of flexibility in the face of an unpredictable future. It should be accepted that the final locations and numbers are indicative and not finite.
44. In summary, although the planning system may be changing, in having a masterplan endorsed, the primary aim is to initiate and stimulate change where there has historically been a lack of market interest. Delivering development on the ground takes time and is likely to be incremental. Therefore, the masterplan must be a long-term vision, aspirational as it seeks to alter or shape the nature of demand in the area by changing perceptions of stakeholders, who can bring positive change; including developers, investors, tenants, residents and visitors.

RECOMMENDATION

Option 2 - Endorse the Newport Harbour masterplan, with the Seaclose Gate site being removed, and agree to consider its future adoption as a supplementary planning document.

BACKGROUND PAPERS

1. Masterplan - <https://www.iow.gov.uk/documentlibrary/view/newport-harbour-masterplan-report-draft>
2. Masterplan Consultation Report - <https://www.iow.gov.uk/documentlibrary/view/newport-harbour-consultation-report>

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