

## Cabinet 4 February 2019

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# Report to Cabinet

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<b>Title:</b>	<b>Unitary Transition Arrangements – Shadow Executive</b>
<b>Date:</b>	Monday 4 February 2019
<b>Date can be implemented:</b>	Monday 4 February 2019
<b>Author:</b>	Leader of the Council
<b>Contact officer:</b>	Sarah Ashmead
<b>Local members affected:</b>	All
<b>Portfolio areas affected:</b>	All

*For press enquiries concerning this report, please contact the media office on 01296 382444*

## Summary

1. Following the decision by Cabinet on 10 January 2019 to delegate to the Leader, responsibility for appointing the County Council's nominees to the Shadow Executive as detailed within the draft Structural Changes Order for the implementation of the new Buckinghamshire Council, this report confirms who these nominees are.

### Recommendation

**Cabinet should note the nominations chosen by the Leader for the Shadow Executive.**

### A. Narrative setting out the reasons for the decision

2. In September 2016, the County Council submitted to Government a proposal for a single unitary council for Buckinghamshire, to replace the existing five councils. On 1 November 2018, the Secretary of State for Housing, Communities and Local Government confirmed his decision, subject to parliamentary approval, to implement the proposal for a new single unitary council for Buckinghamshire to replace all five existing councils.

3. The Secretary of State has provided a draft Structural Changes Order which set out the detailed arrangements for the transition to the new council.
4. A draft of the structural change legislation - The Buckinghamshire (Structural Changes) Order 2019 and The Buckinghamshire (Structural Changes) (Modification of the Local Government *and Public Involvement in Health Act 2007*) Regulations 2019, has been sent to the county and district councils, together with a letter from the Secretary of State outlining the changes. A copy of the letter to this council is attached as Appendix 1.
5. These draft orders propose a Shadow Executive of 17 county and district members. It further details that this will consist of the Leader of the County Council, eight members nominated by the County Council and two members nominated by each of the four District Councils. The chair of this group will be the Leader of the County Council. The draft order also allows for substitute members to be nominated for each permanent member of the Shadow Executive.
6. The Shadow Executive is created as part of the creation of a Shadow Authority to establish and manage the implementation process to ensure the successful and timely implementation of the new council, bringing together the existing county and district councils.
7. The councils and cabinets of the five existing councils will continue to exist until 1<sup>st</sup> April 2020 and be responsible for the decisions required by these councils in the period up until the new council is created.
8. The Shadow Executive has a number of functions including the preparation of the budget and council tax provision for the new council for approval by the Shadow Authority, the appointment of an interim Head of Paid Service, Monitoring Officer and Chief Finance Officer for the Shadow Authority after consultation with the Shadow Authority and to oversee the implementation activity required to create the new council.
9. The Shadow Executive as well as the Shadow Authority will be replaced by the cabinet and council for the new council following the elections in May 2020.
10. Cabinet agreed on 10 January 2019 to delegate authority to the Leader for appointing the County Council's nominees to the Shadow Executive. The Leader has following this nominated the following Members to attend the Shadow Executive as core members:
  - Cllr Bill Chapple
  - Cllr John Chilver
  - Cllr Anita Cranmer
  - Cllr Clive Harriss
  - Cllr David Martin
  - Cllr Mark Shaw
  - Cllr Warren Whyte
  - Cllr Gareth Williams
11. In addition the following Members have been nominated to attend as substitutes (deputies) in the event any of the Members above cannot attend a meeting of the Shadow Executive:
  - Cllr Mike Appleyard
  - Cllr Noel Brown
  - Cllr Tim Butcher
  - Cllr David Carroll

- Cllr Dev Dhillon
- Cllr Netta Glover
- Cllr Lin Hazell
- Cllr Roger Reed

12. The draft order allows for 9 substitutes to be nominated, as 8 have been nominated we will carry forward a vacancy to be filled at a later date.
13. The Members nominated reflect a need to maintain a focus on 'business as usual' activity within the County Council, a geographic balance and to include a significant proportion of 'twin hatters' to ensure the Shadow Executive has a detailed knowledge and perspective on both county and district council services to complement and support the Members of the Shadow Executive who will represent the District Councils.

#### **B. Other options available, and their pros and cons**

14. The nominations followed the process agreed by Cabinet when it met on 10 January 2019.

#### **C. Resource implications**

15. At this stage the full resource implications are unknown. Members nominated to the Shadow Executive will continue to receive any allowances they currently receive as Members of the County and District Councils. Once the Shadow Authority is established it will need to decide on a scheme of Member Allowances for the Shadow Authority, but at this stage it is not known what this will be.

#### **E. Legal implications**

16. The duties of members of the Shadow Executive are detailed in the draft orders - The Buckinghamshire (Structural Changes) (Modification of the Local Government and Public Involvement in Health Act 2007) Regulations 2019.

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## **Background Papers**

Report to Cabinet on 10 January 2019

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### ***Your questions and views***

*If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.*

*If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on Friday 1 February . This can be done by telephone (to 01296 382343), or e-mail to [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk)*





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*Dear Councillor Tett,*

On 3 January you met my officials and Special Adviser Lee Scott. In this meeting, my decision on the details of the structural change legislation was communicated and I am now writing to confirm this. I have considered all the information available to me, including that from your earlier discussions with Lee Scott and the written representations I have received. I intend to lay the legislation before Parliament as soon as is practicable.

Before I turn to the details of the structural change legislation, I want to express my gratitude for the constructive way in which everyone has engaged with this process. I remain confident that implementing the proposal from Buckinghamshire County Council, for a single unitary district council, is the right course of action and that it will be a successful implementation, which will significantly benefit those who live or work in Buckinghamshire.

My approach with respect to these details has been to seek consensus between all the Buckinghamshire councils, as I believe that you are best placed to determine these local arrangements.

You have all agreed the following points which will be provided for in the legislation: that the name of the new council should be Buckinghamshire Council; that following the first elections for the new Buckinghamshire Council in 2020, the second elections should follow in 2025 and subsequent elections every four years thereafter; and that where councillors on the shadow authority represent both a district council and a county council, they will have only one vote.

With respect to the makeup of the shadow authority, I have decided in the interests of local democratic accountability that the membership of the shadow authority will include all councillors currently serving a Buckinghamshire council. I understand this means that the shadow Buckinghamshire Council will have a maximum membership of 236, which in practice will be reduced by the number of twin hatters on the authority.

It will be the responsibility of the shadow executive to discharge the functions of the shadow authority and prepare the implementation plan, except as otherwise

provided. Principally, it will be for the shadow authority to set the 2020/21 council tax and budget, which it will be the responsibility of the executive to prepare. On the make-up of the shadow executive, I have decided that this will be formed of 17 members of the shadow Buckinghamshire Council, and that the Chair and Leader of the shadow executive will be the current Leader of Buckinghamshire County Council. The chair of the executive will be a full voting member of the executive, but will have no casting vote. There will be eight further members to represent the county council and eight further members to represent the district councils, two from each. As you have agreed, the nominations will be made by the councils, who will also nominate substitute members (in the case of the county council this will include a substitute for leader). However, the leader's substitute will not take the role of deputy leader of the executive, nor will the leader's substitute chair the executive. There will be a deputy leader of the shadow executive, elected by the district council nominated members of the shadow executive at its first meeting, who would chair the meeting of the shadow executive if the Leader is absent.

I have decided to implement the county council single unitary proposal, and the shadow authority and executive must have regard to that proposal in discharging the functions for transitioning to the single unitary authority set out in the Structural Change Order. Given the importance of children's services, the structural change legislation will also require the shadow authority and executive to have regard to the June 2018 report from the Children's Commissioner and advice from Hampshire County Council as improvement advisers for Buckinghamshire Children's Services. It is important that the progress that has been made within children's services is not adversely affected by the significant change programme that the executive will be implementing.

The structural change legislation will also specify the following: the first meeting of the shadow authority should be convened by the proper officer of the county council, with the Wycombe proper officer as a deputy; the leader of the implementation team will also be the chief executive of the county council; and the appointment of the interim statutory officers will be the responsibility of the shadow executive, following consultation with the members of the shadow authority.

With regard to the size of the new unitary authority, the structural change legislation will specify that each ward (existing county electoral divisions) will return 3 members, giving a total of 147 members on the new council.

I am writing in similar terms to all the Buckinghamshire council leaders. I am copying this letter to the Buckinghamshire MPs and to Rt Hon Brandon Lewis MP.

Thank you again for your co-operation and hard work in recent weeks. We will continue to provide whatever support we can as you undertake this implementation of a new single unitary district council, for the benefit of the people of Buckinghamshire.

*Yours sincerely,*  


**RT HON JAMES BROKESHIRE MP**



# Report to Cabinet

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**Title:** Housing Infrastructure Fund - Forward Funding bid

**Date:** Monday 4 February 2019

**Date can be implemented:** Tuesday 12 February 2019

**Author:** The Leader of the Council, Martin Tett

**Contact officer:** Joan Hancox – Head of Transport Strategy  
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**Local members affected:** Aston Clinton & Bierton; Aylesbury East; Aylesbury North; Aylesbury North West; Aylesbury South East; Aylesbury South West; Aylesbury West; Wendover, Halton and Stoke Mandeville; Ridgeway East; Stone and Waddesdon;

**Portfolio areas affected:** Leader, Transportation, Resources, Planning and Environment, Education and Skills

*For press enquiries concerning this report, please contact the media office on 01296 382444*

## Summary

In July 2017, The Ministry of Housing, Communities and Local Government (MHCLG), then DCLG, announced the Housing Infrastructure Fund (HIF) to support the implementation of physical infrastructure to support housing growth. In the Autumn Budget 2017 the fund was increased to £5billion from the original £2.3 billion. Upper tier Local Authorities could submit a 'Forward Funding' HIF bid. Bidding has been a two stage process. Buckinghamshire County Council submitted an Expression of Interest in September 2017 focussing on Aylesbury Garden Town. In March 2018 it was announced BCC had been successful in reaching the second round of 'co-development'. This stage required the development of a business case by the Local Authority, in collaboration with Homes England.

Aylesbury Garden Town was selected as a focus of the Buckinghamshire County Council forward funding bid due to the amount of growth planned in the town which is in excess of 15,000 new homes, and the need for infrastructure to permit the number of new homes in the future. Infrastructure included in the bid at the current time includes; roads, schools, cycling and walking route, electricity grid re-enforcements and land assembly. The timescales for

implementation and expenditure of HIF Forward Funding is the end of March 2023 but Homes England may agree some projects to extend to March 2024.

There are three opportunities for Local Authorities to submit their HIF bids. Buckinghamshire County Council is currently working toward a 22<sup>nd</sup> March submission date. Funding announcements are anticipated in May/June 2019.

Council support to submit the HIF business case for Aylesbury Garden Town is sought.

## **Recommendation**

- 1. Cabinet APPROVES submission of a Housing Infrastructure Fund (Forward Funding) business case to the value of up to £200m to support the development of Aylesbury Garden Town**
- 2. Cabinet delegates authority to the Executive Director TEE, the Executive Director Resources and the s151 Officer to agree composition of the HIF Business Case (in consultation with the Cabinet Member for Resources and the Leader of the Council).**

### **A. Narrative setting out the reasons for the decision**

#### **Background**

1. In the Autumn Statement 2016, the Government announced a National Productivity Investment Fund to stimulate the economy and improve productivity in the UK. A key part of this was investment in infrastructure and increasing the number of homes being built. It included the announcement of a number of funds which would be created, including a Housing Infrastructure Fund. The Housing White Paper in February 2017 also set out the role of the Housing Infrastructure Fund in unlocking potential housing sites. In July 2017, the Department for Communities and Local Government (now MHCLG) invited local authorities to bid for a £5bn Housing Infrastructure Fund, with the target of unlocking 100,000 new homes across England.

In September 2017 Buckinghamshire County Council submitted an expression of interest for £204m investment in infrastructure around Aylesbury to support new housing growth covering new link roads, other highway and transport improvements, schools, household waste facilities, energy, flood mitigation, green infrastructure, digital infrastructure and land assembly. BCC were successful in reaching the second phase of bidding and were invited to develop a Housing Infrastructure Fund business case. The business case needs to demonstrate that 1) additional housing (i.e. housing that would not occur without the infrastructure) would be delivered around Aylesbury due to the infrastructure included in the bid and 2) that the grant is necessary for the infrastructure to be delivered and cannot be funded in any other way. Development of

the bid has been progressed based on this rationale. The business case has been refined to include only infrastructure which enables (or accelerates) housing growth.

2. The Council's strategic objective of Ensuring Buckinghamshire is Thriving and Attractive has a number of aims which fit with the Housing Infrastructure Fund, including
  - a. Working with partners to delivery strategic infrastructure in line with changing demands;
  - b. Enable the right conditions for economic growth; and,
  - c. Improve connectivity, reliability of the transport network as well as promote sustainable transport
3. The Housing Infrastructure Fund is administered by the Ministry of Housing, Communities and Local Government. It is a competitive process and bids will be assessed against value for money and other criterion. It is essential for the business case that the proposals meet the criteria set out in the guidance as decisions will be "all or nothing". The Ministry's Introduction to the Housing Infrastructure Fund sets out that it is available to support schemes which:
  - Deliver new physical infrastructure to support new and existing communities;
  - Make more land available for housing in high demand areas, resulting in new additional homes that otherwise would not have been built;
  - Support ambitious local authorities who want to step up their plans for growth and make a meaningful difference to overall housing supply by 2023;
  - Enable local authorities to recycle the funding for other infrastructure projects, achieving more and delivering new homes in the future.
4. The Housing Infrastructure Fund is split into two funding streams (the division of the £5bn across these streams has not been determined) :
  - Forward Funding Bids. Designed to support a development as large as a new garden town, an urban extension or the development of a number of brownfield sites that will deliver significant numbers of homes. Bids of up to £250m were invited to be submitted by upper-tier authorities (County Council).

The Aylesbury Garden Town bid forms BCC's submission to this fund.

- Marginal Viability Bids. Designed to get housebuilding started quickly on particular sites where up-front costs are not stacking up financially.

Buckinghamshire County Council was a supporting partner to 4 Marginal Viability Funding bids submitted by the District Councils, which were also successful in moving to the next stage of co-development of a business case. Aylesbury Vale District Council's (AVDC) HIF Marginal Viability bid expression of interest also focussed on infrastructure delivery in Aylesbury. BCC and AVDC have been

jointly working to align the composition of the Forward Funding and Marginal Viability bids to ensure there are no overlaps in housing sites or infrastructure. A formal decision on the Marginal Viability bids is still awaited.

### **Forward Funding Bid – Aylesbury Garden Town**

5. The County Council is preparing a Forward Funding business case focussing on Aylesbury Garden Town. This approach is supported by all Buckinghamshire District Councils and by the Buckinghamshire Thames Valley Local Enterprise Partnership. The decision to focus solely on Aylesbury has a number of strengths:
  - a. Aylesbury is by far the largest growth area in Buckinghamshire, with over 15,000 new homes expected over the next plan period, including a significant amount of unmet housing need from the southern district authorities (Chiltern & South Bucks and Wycombe). Significant infrastructure investment is critical to the delivery of these new homes.
  - b. The HIF bidding guidance makes an explicit connection between HIF and Garden Towns. This has been confirmed in officer discussions with MHCLG. Aylesbury's Garden Town status is expected to weigh in favour of a Forward Funding bid but does not guarantee funding.
  - c. Aylesbury also sits within the wider Oxford to Cambridge Growth corridor, a current area of interest for government through the National Infrastructure Commission.
6. The Aylesbury Garden Town Forward Funding business case will seek funding to secure infrastructure to help support new homes proposed for Aylesbury. The main composition of the bid will include transport infrastructure (including sections of Aylesbury link roads), Aylesbury electricity grid re-enforcements, Green Triangle walking and cycling route, land assembly and educational establishments. A key issue for the County is to secure the ability to forward fund the infrastructure in advance of s106 receipts to ensure that infrastructure is in place as the growth occurs. This would also enable the County Council to recycle some of the funding when s106 contributions are received to support further housing growth.
7. The final bid is expected to seek in the region between £130m - £200m of infrastructure funding, which would provide significant infrastructure investment to support Aylesbury Garden Town. Due to timescales some of the details for the business case are being refined and so a range is being indicated at the time of writing the report.
8. Homes England identified three opportunities to submit HIF bids with previous dates in September and December 2018. Buckinghamshire County Council is currently aiming to submit its business case by 22<sup>nd</sup> March 2019 which is the latest available opportunity. It is understood that most HIF FF bidders will be submitting their business case at this time.

## **B. Other options available, and their pros and cons**

9. Cabinet could decide that the County Council should not submit the HIF bid. In this instance, Buckinghamshire would miss the opportunity to potentially secure significant government investment to support future development. An options appraisal has been carried out which has included consideration of different compositions of the bids (both larger and smaller) as well as their relative value for money. Additionally, a large amount of time and resource has already been invested in the development of the business case. This option is not recommended.

## **C. Resource implications**

10. The bid represents a hugely positive opportunity for BCC, both in terms of supporting our ambitions and the delivery of the existing capital programme, and in the potential for a recycling fund that could deliver an ongoing legacy of funding for further significant infrastructure investment. Governance arrangements around the recycled HIF funding are still being developed.
11. Within the BCC Capital programme there is a significant level of investment in schemes that are included in the Housing Infrastructure Fund (HIF) bid. If these projects are not included in the business case or are not granted funding then BCC will need to consider whether there are alternative means of providing funding to complete these projects; and the projects will be at risk of not being delivered within the existing capital programme.
12. The Business case includes match funding. For Aylesbury Garden Town, the majority of this match-funding is already provided through secured developer contributions (either financial or in kind), secured Local Growth Funding or other local sources. In addition the contribution from private sector housebuilders is also taken into account. There is no specified minimum requirement in the Homes England guidance for match funding. If the bid is successful then the match funding would effectively be committed to the scheme. One of the key benefits of the bid is that it reduces the financial risks to BCC around the timing and payment of funding, particularly in relation to developer contributions.
13. The original EOI included a small amount of match funding from BCC. This match funding is no longer required as part of the proposed bid and as such there is no direct capital investment from BCC as part of the business case in its current form. However, should the bid be successful BCC will take on responsibility for delivery risk. The

amount of allowance for risk and contingency is being reviewed and there is a need to ensure that BCC does not face undue financial risks should project costs increase.

14. If the bid is successful, significant revenue resource will be required to manage delivery of the Aylesbury Garden Town HIF programme although this has yet to be quantified. There will also be a need for regular reporting to HE on progress. Officers are seeking to ensure that all on-costs of delivery are captured in project costs and are incorporated into the business case.
15. The bid is supporting the planned housing growth around Aylesbury and providing certainty of delivery of sites which are being allocated in the submitted Vale of Aylesbury Local Plan. Work is already underway corporately to assess the impact of planned housing growth on demand for local services. The financial impact of housing growth on other BCC services is not included in the bid.
16. The Forward Funding bid will require Section 151 Officer sign off.

**D. Value for Money (VfM) Self Assessment**

The key criteria on which the bid will be assessed by the Homes and Communities Agency (on behalf of MCHLG) will focus on value for money.

**E. Legal implications**

There are no statutory instruments or regulations which govern the Housing Infrastructure Fund or the application process. It is discretionary for the Council to apply. Legal advice on the operation of the recycling fund to secure developer contributions via s106 will need to be sought.

**F. Property implications**

The delivery of projects will need support and agreements from Property (for example, land transfers and acquisitions)

**G. Other implications/issues**

A successful Aylesbury Garden Town bid would have implications for BCC Strategic Plan objectives, Strategic Economic Plan, BCC Local Transport Plan, Education and other policies.

The bid has been developed in partnership with BTVLEP and supported by the District Councils.

Many of the proposals which the bid is seeking funding for have been subject to consultation e.g. Aylesbury Transport Strategy, submitted VALP.

## **H. Feedback from consultation, Local Area Forums and Local Member views**

Local Members were consulted on the composition of the Expression of Interest submitted last year and have been consulted on the business case composition. Local members have also previously been consulted on individual infrastructure schemes which affect their division as well as on Aylesbury Transport Strategy, Buckinghamshire Strategic Infrastructure Plan and the submitted VALP.

The following sections must be complete:

Date advance notification of decision given: November 2018

Date local members consulted on draft decision: November 2018

Deadline given for responses: 11 November 2018

Overview of responses received: Supportive

## **I. Communication issues**

It is intended that the decision will be communicated to relevant stakeholders and members as soon as it is made.

## **J. Progress Monitoring**

Bidding for funding is an integral part of the TEE Business Plan. If the bid is successful then the implementation will need to be monitored as key projects for the Business Unit through its existing monitoring processes. It will also form a key part of the work of the Aylesbury Garden Town Board of which BCC is a key partner. If the bid is successful there will also be regular reporting on progress to Homes England.

## **K. Review**

A review will be provided for Cabinet following announcements on successful bidders with an update on the final composition of the business plan.

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### **Background Papers**

Housing Infrastructure Fund – Supporting Document for Forward Fund. The document can be found on the Internet at <https://www.gov.uk/government/publications/housing-infrastructure-fund>

### ***Your questions and views***

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*If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on Friday 1 February 2019. This can be done by telephone (to 01296 382343), or e-mail to [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk)*

