

LOCAL PLAN IMPLEMENTATION - PRINCES RISBOROUGH EXPANSION AREA

Cabinet Member: Councillor David Johncock

Wards Affected: All

Officer contact: Ian Manktelow Ext: 3579

Email:lan.Manktelow@wycombe.gov.uk

RECOMMENDATION TO COUNCIL

That:

- (i) Cabinet agree to forward fund feasibility, design work and project team costs relating to the Housing Infrastructure Fund bid up to £500,000 on the basis that this is recovered from the Housing Infrastructure Fund when this funding is released. Delegated authority be granted to the Head of Finance and Head of Legal Services to the release of these funds;
- (ii) Cabinet grant delegated authority to the Head of Finance and the Corporate Director, in consultation with the Cabinet Member for Finance and the Cabinet Member for Planning, to release Housing Infrastructure Fund moneys, once the funds are released to the Council and subject to detailed terms and conditions (when available);
- (iii) delegated authority be granted to the Head of Finance and Head of Legal Services to agree the Housing Infrastructure Fund terms and conditions, once they become available; and
- (iv) delegated authority be granted to the Head of Finance and Head of Planning and Sustainability to the release section 106 funds from the Leo Labs development to fund the design of the underpass to Wades Park, the amount to be released being set out in Exempt Appendix C.

Reason for Decision

The Council submitted its proposed Local Plan to the Planning Inspectorate for Examination in March 2018. Whilst the Council is not directly responsible for most of the development in the Plan, the Council has a role in facilitating development. Whilst the infrastructure for the Princes Risborough Expansion Area is essentially to be funded by the developers, some is due to be funded through the Housing Infrastructure Fund (HIF). To ensure that the Council can keep on track with the programme for delivering the HIF scheme some forward funding of feasibility and design work and establishment of the project team is sought. This would then be reclaimed once the HIF funding is received.

Corporate Implications

1. The Local Plan is prepared under the Planning and Compulsory Purchase Act (2004) (as amended). The detailed regulations for preparing a Local Plan are set out in the Town and Country Planning (Local Planning) (England) Regulations (2012) (as amended).
2. There are a wide range of risks associated with preparing the Local Plan including the risk of the plan being found unsound following the examination

stage. Demonstrating that the Plan is deliverable is one of the tests of soundness set down in national planning policy. Whilst officers are satisfied that the Local Plan is supported by robust and proportionate evidence base to support the deliverability of the Princes Risborough expansion area, it is important that planning authorities are proactive in supporting delivery as part of the Government's overall imperative to ensure a step change in housing delivery.

3. Further legal advice on some of the issues covered in this report is being sought and a summary will be provided to members in an exempt appendix which will follow the report.
4. The infrastructure to deliver the expansion area is expected to be primarily funded by the developers through legal agreements and Community Infrastructure Levy. Current estimates suggest that the infrastructure costs are in the region of £67M plus CIL receipts (estimated to be in the region of £20M). The Council has been successful in securing £12M of Housing Infrastructure Fund money to help deliver key early infrastructure to support the expansion of the town, although this money has not yet been released and the terms and conditions are awaited. This report discusses the issues around the Council using its powers and resources where needed to help forward fund limited amounts of infrastructure/design work to facilitate the expansion of the town where the market may not deliver in a timely manner.
5. There are a number of risks, including financial risks and wider risks in terms of the growth of Princes Risborough and the development of the District associated with this project. The report sets out two options in relation to the Housing Infrastructure Fund (HIF) funding. Option 1 is to forward fund some initial design/feasibility work and project set up costs of up to £500,000 to enable the scheme to keep on track in terms of the delivery programme for the HIF scheme and maximise our chances of the HIF funding being confirmed. Option 2 would involve doing nothing in terms of forward funding. In financial terms there are risks whether the Council decides to forward fund initial feasibility work or not. In the short term the key risks relate to the confirmation of the Housing Infrastructure Fund money and the associated terms and conditions that are currently unknown. Further detail is set out in the body of the report.
6. If the scheme fails to progress to implementation and expenditure does not meet the necessary requirements to be capitalised then any expenditure incurred would need to be charged to revenue. As this would be unbudgeted revenue expenditure there would be an adverse impact equal to the expenditure incurred on the revenue reserves. The £500k as outlined in the recommendations is c5% of the available general reserve balances.

Executive Summary

7. This report outlines the issues and overall approach to the delivery of the Princes Risborough expansion area. It highlights that, whilst there are significant infrastructure costs associated with the expansion, it is a developer funded scheme supported by some £12M of funding from the Housing Infrastructure Fund (HIF). However, whilst the announcement that the Council had secured the HIF funding was made in February, the Council has yet to

receive the funding or the associated terms and conditions, and Homes England are currently scrutinising all the successful bids.

8. To help ensure that the HIF funding is confirmed it is important to continue to make progress to ensure that the delivery of the infrastructure and housing can be achieved within the timeframes set out in the HIF bid. To achieve this it is recommended that up to £500,000 is provided to progress early design and feasibility work and for establishment of the project team. Recommendations are also included to enable the take up of HIF funding when it is released to the Council.
9. As a local authority we would normally expect the proposed infrastructure scheme (Southern Road Links £14.7M – part of the overall infrastructure package for the proposed expansion area) to be undertaken at the cost of developers supported by planning agreements in the usual planning process without the need for the Council to fund such works. The Council can either wait for the market to take this forward or actively move forward with the proposed infrastructure scheme and forward fund the infrastructure scheme. The introduction of the Housing Infrastructure Fund by central government and the possible funding that WDC may be successful in obtaining, could offset the majority of the cost of the Southern Road Links. If WDC does nothing in terms trying to move the scheme forward, whilst the Council would not be committing to the financial cost of the forward funding work, the risks of doing nothing are that the programme for the delivery of the scheme is delayed, progress is not demonstrated to Homes England, and the HIF funding is not confirmed with the loss of £12M of funding.
10. It is recognised that this is a complex project to deliver, and whilst it is essentially the role of the developers to ensure the timely delivery of the housing and infrastructure, there are potentially significant adverse implications of delay to delivery for the Council. It may be necessary therefore to report back to Cabinet in due course on alternative delivery mechanisms if there is not sufficient progress. The “Issues” section of this report sets out further information on alternative delivery mechanisms.

Sustainable Community Strategy/Council Priorities - Implications

11. The proposed expansion of Princes Risborough in the Local Plan is a critical element of the overall Local Plan spatial strategy and makes a very important contribution towards the delivery of a number of Place, People and Prosperity strands of the Council’s Corporate Plan including:
 - Meeting housing needs;
 - Using design and place making to improve our built environment;
 - Minimising the impact of land use on our natural environment;
 - Speeding up the delivery of affordable homes;
 - Further improving the quality of housing;
 - Providing open spaces and supporting leisure provision to enable people to live healthy lives;
 - Supporting the creation of new and growing businesses.

Background and Issues

12. In September and October 2017 Cabinet and Council agreed the new Local Plan for publication for statutory consultation and subsequent submission for examination by the Planning Inspectorate. An inspector, Nicola Gulley has been appointed by PINS to undertake the examination process. The hearings for the examination are expected to start in July 2018. The Inspector will be assessing the Plan for its legal compliance and whether it meets the “tests of soundness” set down in the National Planning Framework (NPPF), one of which is whether the Plan is effective, i.e. that it is deliverable over its period.
13. Government have been consulting on and bringing in a range of planning reforms recently, as highlighted in the Housing White Paper (Feb 2017), Planning for the Right Homes in the Right Places (Sept 2017), and most recently consultation on the draft revised NPPF (Mar 2018). These all focus on the need for a step change in housing delivery and expect local planning authorities to be proactive in addressing housing delivery. The Housing White Paper (para 2.35) states that “strong local leadership is vital if the homes that local areas have planned for are to be built. We need to hold local authorities more closely to account for the delivery of homes that they have planned for, and enable them to hold developers to account.”
14. One of the reforms is the introduction a Housing Delivery Test assessing actual housing delivery against the housing required. Failure to meet those requirements results in a range of sanctions and could, in the future affect the level of New Homes Bonus the Council receives. As a minimum the Council would have to produce a Housing Delivery Action Plan to set out what actions it intends to take to improve housing delivery and under delivery is also likely to result in the inability to demonstrate a 5 year housing land supply with implications for more appeals and development being allowed in less suitable locations in the future, potentially with less infrastructure provision.
15. Notwithstanding the major constraints on the District with over 75% forming part of the Green Belt and/or the Chilterns AONB, the Local Plan rises to the housing delivery challenge by providing a third more homes than previous plan, including the proposed major expansion at Princes Risborough. The Council has also been proactive in facilitating delivery of the Plan including:
 - Preparation of an infrastructure delivery plan to support the Plan;
 - Working proactively with community and developers on development briefs for the reserve sites to bring forward the sites in advance of the local plan process – 4 development briefs are now in place;
 - In December 2016 Cabinet agreed subject to further detailed work that it was prepared to use Compulsory Purchase Powers to deliver the proposals in the Local Plan and associated infrastructure in appropriate circumstances
 - Securing Government Capacity funding to progress more detailed work on the Princes Risborough expansion area

- Making bids for and securing £19.5M of Housing Infrastructure Fund money to assist with the delivery of Princes Risborough Expansion Area (PREA) and the Abbey Barn North and South sites. This amount was the most secured in Bucks and more than most authorities in the country. (It remains subject to a confirmation and clarification process, of which details are awaited).

Princes Risborough Expansion

Background.

16. A key element of the Local Plan is the proposal for the Princes Risborough Expansion Area. The Plan sets out a vision for the expansion, worked up with the Princes Risborough Steering Group which states:

In 2033, Princes Risborough will be a modern, green and accessible market town - with a safe and vibrant community, that strongly reflects its historic roots, rich cultural heritage and special landscape setting within the Chiltern Hills.

Our town of the future will:

- **Provide high quality, environmentally sensitive homes for local people, as well as those from further afield**
- **Encourage our community to come together to enjoy the social and economic benefits of a thriving high street, and facilities for sports and recreation**
- **Offer outstanding public services, including high-quality schools and healthcare**
- **Have a well-developed network of roads, cycle routes and footpaths - enabling people easily to get to where they want to go**

Encourage future generations to remain in the town through business investment, so that people can live and work in the local area

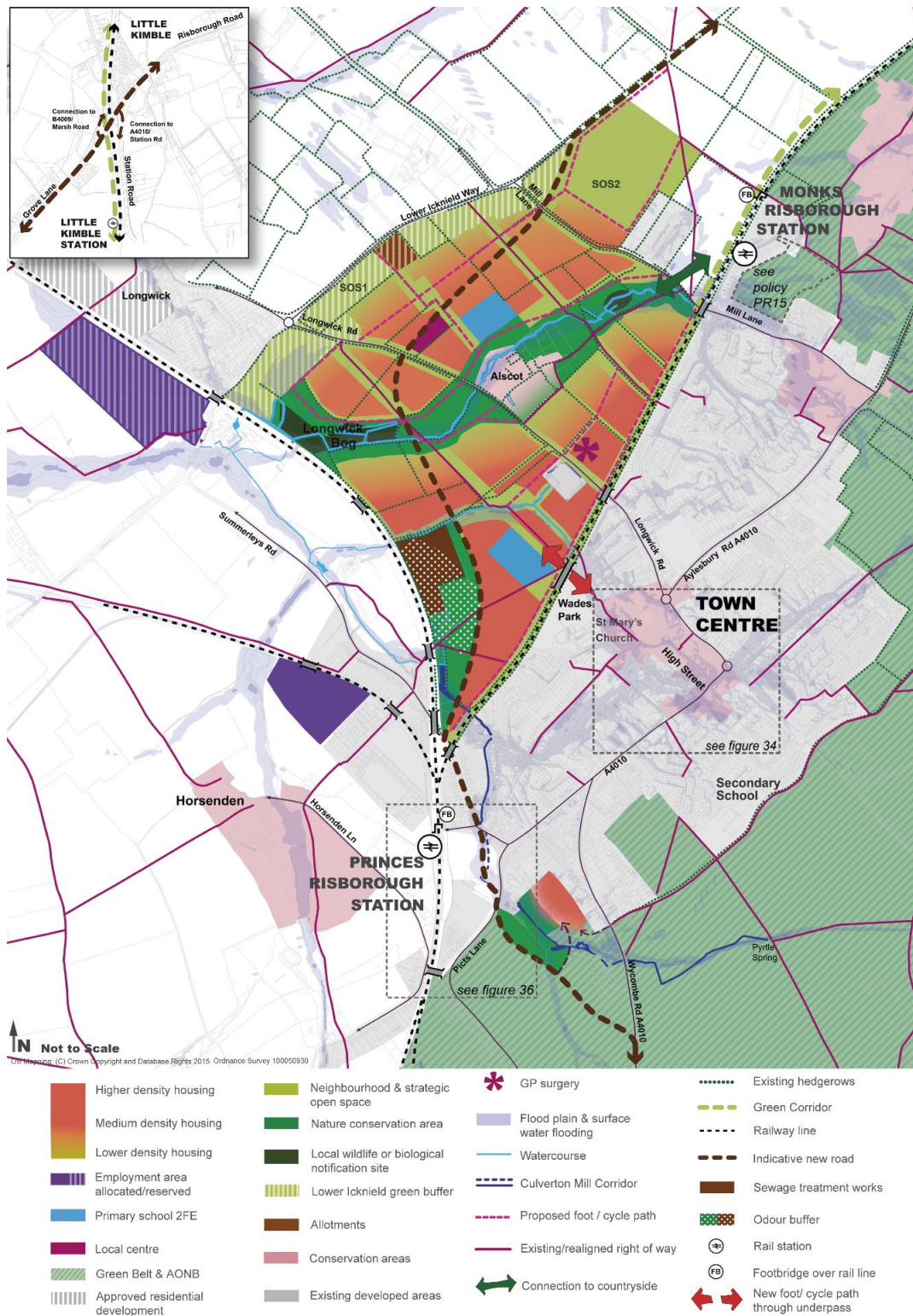
17. Key elements of the Plan's expansion proposal are:

- Approximately 2,500 homes to be delivered over approximately 15 year build out period on land primarily to the west of the town between Princes Risborough and Longwick;
- New employment land in the form of the expansion of the Princes Estate;
- A new relief road to the west of the town that deals with the additional traffic from the new development and provides an alternative to the A4010 through the town centre;
- A range of community infrastructure including new primary schools, contributions to the expansion of the upper school, a local centre, community building and new open space and outdoor sports facilities;
- Town centre enhancements

18. The concept plan in Figure 1 illustrates how the development could come forward. A range of policies in the Plan set out the requirements for the

development in more detail. Delivery of the expansion area is a key plank of the Local Plan's development strategy for the District.

Figure 1 – Concept Plan



19. Delivery of this expansion area is a major and complex project. Substantial infrastructure, currently estimated to be in the region of £67M (excluding infrastructure funded by CIL – approximately £20M) is required to support the

growth of the town, with a significant proportion of this relating to the provision of the relief road and associated infrastructure. There is a fragmented pattern of land ownership, and the relief road requires bridges to be reconstructed across the Princes Risborough to Aylesbury railway line in two places. Allied to this is ongoing development pressure with a number of landowner/developer interests both within and just outside the identified expansion area that need to be carefully managed.

20. Fundamentally this development and its associated infrastructure is to be funded by the developers of the scheme, through a combination of section 106 agreements, section 278 highway agreements, and Community Infrastructure Levy (CIL) payments. The viability assessment undertaken to inform the Local Plan indicates that there is sufficient value in the scheme to fund the cost of infrastructure that is necessary for the development.
21. Whilst it is essential that the Plan's proposals are supported at the Local Plan examination to provide a firm policy basis for bringing forward the expansion of the town it is also essential to make progress on developing the detailed proposals and facilitating delivery to ensure that developers deliver housing and other development and the required infrastructure in a timely and equitable way.

Developing the Proposals and Ensuring Delivery

22. The expansion of the town is a long term proposition that will take shape over the next 20 years or so. As part of the evidence underpinning the preparation of the Local Plan advice was sought on the likely build rate and potential timing of delivery. This indicated a potential build out period of around 15 years. It also identified that the lead in times for development commencing on site for a development of this scale can be very significant but could be reduced by being more proactive to unlock key infrastructure provision, thereby overcoming cash flow constraints whereby early developers risk bearing disproportionate costs. Notably in this case this entails the provision of early phases of the relief road which are off-site of the expansion area. This was the subject of the Housing Infrastructure Fund (HIF) bid in respect of which, in February 2018, the Council was notified that it had been awarded a grant of £12m – see below for further details.
23. As a broad indication, Appendix A sets out how development and infrastructure might emerge over the next 20 years or so.
24. It was recognised that because of the current constraints on the highway network, early delivery of the key southern link of the relief road connecting the Park Mill Farm site (southernmost part of the expansion area) to Picts Lane would be required and this raised potential cash flow issues which are discussed further below in the context of the HIF bid.
25. It is expected that CIL payments, based on the current CIL charging schedule and current regulations, could yield around £20M. Normally 15% of this would be passed to the town council under the CIL regulations. This figure increases to 25% where a town or parish council has an approved neighbourhood plan for the area. Cabinet in September 2015 agreed that in this instance, because a neighbourhood plan to deliver this scale of growth would not comply with the legislation for preparing neighbourhood plans, the Council agreed to pass 25%

of CIL receipts to the Town Council for them to determine how to spend on infrastructure to support growth. This was further confirmed and clarified at Cabinet in September 2017.

26. Appendix B sets out the main elements of the infrastructure to support the growth of Princes Risborough, estimates of costs and how these should be funded. These main elements are explained further in the Princes Risborough Expansion Area Viability Assessment (GVA, 2017). As explained above WDC's policy framework requires developers to fund new infrastructure in total. This is now to be supported by HIF funding in the early stages.
27. The costs have been derived from a number of sources. The single largest cost is the relief road (including bridge works). This was the subject of a costed feasibility study by Jacobs in 2016 and this was then reviewed and the costs refined in a subsequent feasibility review report by DRF Consulting in 2017. Both reports use industry standard assumptions for optimism bias/contingency which are substantial in the case of both the road and the bridge works.
28. Other costs are derived from a range of sources including dialogue with relevant infrastructure providers, industry standard assumptions (eg in relation to sport/recreation provision) and specific studies (eg in relation to new bus provision).
29. Costs will continue to be refined as part of ongoing work, including the current work on the Delivery Plan (see work programme below) and as more detailed design work is undertaken (eg in relation to the road and bridge works).
30. In September 2017 the Cabinet recommended to Council to agree to the purchase of specific land/properties that were directly on the route of the proposed new relief road and which were available for purchase. These properties have subsequently been purchased by private sale using council reserves without recourse to compulsory purchase at a total cost £1.3M. The report noted that the work done on financial viability for the Local Plan suggests that the relevant land costs can be recovered through the value created by the associated development. Costs would be recouped through s.106 or CIL payments, subject to suitable policies being included in the Local Plan. A QC's advice had been sought on how to maximise the Council's ability to recover any expenditure made prior to a planning permission being granted through the associated s.106 payment schedule. The Local Plan, approved by Council in October 2017 for submission to the Planning Inspectorate, incorporates such policies. The timing of the acquisition of these properties was brought forward, in advance of a wider delivery plan, so as to mitigate the effects of uncertainty on the owners of the properties and their families.
31. Whilst this is essentially a developer funded package of infrastructure there is a potential role for public intervention to assist with land assembly and contribute forward funding to enable infrastructure provision and hence accelerate housing delivery. This is explained further below. The in-principle agreement to the use of CPO powers in December 2016 recognised the potential role of such intervention and Government is also encouraging authorities to be more proactive in facilitating delivery. The Council is in discussions with Buckinghamshire County Council regarding delivery of the Southern road links (HIF scheme) i.e. the first phase of the relief road, and this is the preferred means of delivery. The Council has worked successfully with the County

Council as the delivery partner on the delivery of the early phases of the High Wycombe Town Centre Masterplan and similar arrangements are envisaged here. This could potentially be extended to later “Off-site” phases of the relief road and these will be funded by the development.

Housing Infrastructure Fund

32. In September 2017 two bids were submitted for the Housing Infrastructure Fund (HIF) Marginal Viability Fund:
- A £12M bid for the Princes Risborough Expansion Area
 - A £7.5M bid to upgrade Abbey Barn Lane, High Wycombe to support the delivery of two of the reserve sites, Abbey Barn North and Abbey Barn South.

In February 2018 the Council learned that it had been successful with both bids.

33. The rationale and key requirements of the HIF funding are:
- To deliver infrastructure to unlock housing sites;
 - This is not to subsidise developers but to unlock difficult sites;
 - Most of the infrastructure should be funded elsewhere, mainly by developers – (i.e. HIF should only be a relatively small proportion)
 - The funding limit was £10M (although with some flexibility at the margins)
 - The money should be spent by March 2021.
34. The successful PREA bid was for:
- Design and build of two southern sections of the relief road between Park Mill Farm and Picts Lane, with minor improvements to Shootacre Lane.
 - Re-construction of the southern rail bridge on Summerleys Road
 - Land acquisition.
35. The purpose is to unlock the first phase of housing development on the expansion area and facilitate the later phases. The bid indicated that provision of funding upfront would accelerate housing delivery, having regard to the aforementioned evidence on lead in times and build rates.
36. The total cost of the scheme the subject of the bid was £14.7M and the bid was for £12M, somewhat exceeding the £10M cap in the bidding guidance. Although successful in securing £12M, this leaves a funding gap of around £2.7M.
37. The announcement of the funding award is subject to Home England’s (formerly Homes and Community Agency) terms and conditions – these have yet to be provided. No funding has yet been released to the Council and it is understood that Homes England have appointed Deloitte to scrutinise the successful bids in more detail to ensure they are deliverable.
38. Officers are in regular contact with Homes England and it is clear that part of the scrutiny involves ensuring that Councils are continuing to make progress with their schemes, even without the funding being released, to demonstrate

that the infrastructure proposals are deliverable and ultimately are going to deliver the additional housing.

Work Programme

39. To progress this project there are a number of strands of work all contributing towards delivery of the project, a number of which are already “active” including:
- **Capacity Plan** – setting out a master plan and design principles for the expansion area, feeding into the Delivery Plan. This work is well progressed and an initial draft is expected in July 2018
 - **Delivery Plan** – this will set out more detail on the delivery mechanisms for the infrastructure, including the potential phasing of development, the “triggers” in the development programme for when different types of infrastructure are required, and updated viability work to look at the equalisation of costs across the different potential developers/landowners and to test the overall viability of the development in the light of the latest information including more detail on the phasing of infrastructure. An initial draft of this work is expected in July 2018 also.
 - **Planning Guidance** – this will ultimately draw the Capacity and Delivery Plans together into planning guidance to be adopted as a supplementary planning document. This would be subject to public consultation and the aim is to adopt this shortly after the Local Plan is adopted, potentially in spring 2019.
 - **Delivery of the HIF bid** – this includes design and obtaining permissions to build the southern link of the relief road from the southern edge of the main expansion area to Picts Lane, reconstruction of the Summerleys Road rail bridge¹, tender and contract management, and necessary land acquisition. Given the cost, access and specialist advice required to work in the rail environment it is proposed to develop the detailed design of the Wades Park underpass as part of this workstream - this is anticipated to result in potentially significant cost savings and reduced disruption resulting from railway line closures.
40. Outside the work required to design, obtain planning permissions and build out the homes and on site infrastructure in the PREA future phases of work connected to and to be funded by development include:
- Outline design of relief road and development corridor through the expansion area
 - Town centre improvements including parking strategy;
 - Design and implementation of improvements to Grove Lane (B4009) and reconstruction of the Grove Lane rail bridge;

¹ There are two rail bridges on Summerleys Road – only the southernmost of these needs reconstruction/improvement to enable the provision of the relief road. A second rail bridge at Grove Lane (Kimble) also needs improvement but this would take place later in the development programme.

- Design and implementation of the relief road link from Picts Lane to the A4010 south of the town (the Culverton Farm link);
 - Green infrastructure/open space management plan
41. Further information on the broad programme for implementation of the HIF scheme is set out below. Internal governance arrangements have been put in place to oversee the implementation of this programme.

Issues and Risks

42. The complex nature of this project means that there are a number of issues and risks and officers will keep Members apprised of these as the programme proceeds. A risk register has been prepared and will be regularly reviewed and updated.
43. Key risks include:
- The terms and conditions available on HIF funding and funds have not yet been released, but failing to show progress in bringing forward the scheme may undermine prospects of the funding being released;
 - Land ownership and rights complexity
 - Budgetary control and potential Council financial exposure, especially in the absence of clarity on terms and conditions and on cost recovery
 - Ensuring timely delivery to secure HIF funding and ensure timely housing delivery;
 - Linked to the above, the need to progress design and obtaining consents without HIF funds released
 - Long lead in times e.g. from potential procurement timescales and obtaining necessary consents with implications for delivery timing.

Intervention to facilitate infrastructure and housing delivery

44. The delivery of the PREA is a complicated one but the requirement is that it is essentially to be funded by the respective developers. Whilst there has been ongoing dialogue with the main developers there is no equalisation agreement in place between the developers at this point and no indication that they will submit a single application for the whole area. It is also possible that planning applications may come forward on the site before the Local Plan is adopted, including from Bloor Homes who have recently undertaken pre-application community consultation for an element of the expansion area. In planning terms, the detailed policy framework in the Local Plan and the preparation of the Capacity Plan, Delivery Plan and subsequent planning guidance will help mitigate this.
45. The award of the HIF funding provides the opportunity to unlock the development by forward-funding key pieces of infrastructure, but the opportunity is time limited. Progress needs to be shown to ensure that implementation of the HIF scheme can be delivered within the timescales set in the HIF bidding documentation and hence secure the release of the funding. Failure to do this could jeopardise securing the funds, although it should be noted that there have been several months delay since the initial funding award was announced. This includes delay in issuing the detailed terms and

conditions that Homes England are attaching to the release of funds – these are currently not available.

46. At times where there does not appear to be a reasonable prospect of the private market unlocking opportunities, there is a potential role for local authorities to assist in this – for instance through land acquisition (including if necessary compulsory purchase) and forward funding. Indeed the Housing White Paper is encouraging the use of compulsory purchase powers to facilitate development. This however results in financial exposure to the Council.
47. In the short term the immediate issue is to keep delivery of the HIF scheme on track to ensure that the £12M funding is secured and taken up. This involves two actions:
 - a. To forward fund some feasibility, project team and design work to keep on track with the programme;
 - b. To grant delegated authority to release HIF funds to deliver the scheme, once the funding has been confirmed and the detailed terms and conditions have been provided and scrutinised to enable the work to progress in a timely manner.

Forward Funding

48. In relation to the forward funding of early work these costs would be reclaimed from the HIF funding once that funding has been confirmed. In the event that the HIF funding is not confirmed the Council would seek to reclaim these costs from the developers. Counsel's written opinion is being sought in relation to the recovery of costs from developers.
49. Clearly if the HIF funding is not confirmed officers would want to consider with Members the alternatives to ensuring the delivery of the southern link road and would bring a further report to Cabinet at an appropriate time.
50. Figure 2 sets out the broad programme for the delivery of the HIF scheme. As noted there has been some delay since the HIF announcement in terms of confirming the funding and the terms and conditions. The bidding documents indicated spend by March 2021, and it can be seen that the programme is tight. Whilst the delays may mean there is some flexibility it is important to progress with the initial Phase 1 of work to avoid slippage. In the absence of released HIF funds this means some early forward funding relating to spend commitments made in Phase 1.

Figure 2 Broad Phasing of Housing Infrastructure Fund scheme

	18/19				19/20				20/21				21/22		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Phase 1 – establish project team and early design/feasibility															
Phase 2 – Progress road and rail design, obtain consents and commence land purchase															
Phase 3 – finalise detailed design, secure land															
Phase 4 – tendering and contract management and construction.															

51. The Exempt Appendix C sets out the cost estimates to support the HIF bid. These costs are to be reviewed as the project progresses and more detailed work is completed. The Exempt Appendix C also outlines the breakdown of work and estimates of costs necessary to maintain progress against the timetable. This totals £500,000 and it is recommended that this sum is made available to progress this work.
52. It is expected that any expenditure will be reclaimed from HIF funds, but until this award is confirmed there is a risk that funds will not be recouped and they may need to be recovered from development. Some or even much of the expenditure will be made in later phases, notably Phase 2, but the commitment may be needed in Phase 1. It is possible that not all of this amount will be required before the HIF funds are confirmed and can be drawn down, but it ensures that those commitments can be made up to this amount, particularly in terms of recruiting a project manager and procuring initial design advice.
53. It should be noted that there are potential economies of scale with the design work for the Summerleys Road rail bridge if this is designed alongside the Wades Park underpass (pedestrian/cycle underpass). The underpass is not part of the HIF bid but would also need to be delivered early on in the development programme. A section 106 agreement relating to the residential permission on the Leo Labs site has already been signed which will contribute £1M to the cost of the underpass and the site is now under construction. Delegated authority is sought to the release of some of these funds when they

are received for design work to enable these economies of scale to be achieved. The Exempt Appendix C sets out the recommended amount.

54. Subsequent phases of work in relation to the HIF funded scheme include the following:

Phase 2

- Procure and commission preliminary highway design and survey work
- Progress rail related survey and design work
- Prepare planning application(s) and obtain planning permission
- Progress land acquisition including serving compulsory purchase notices if necessary.

Phase 3

- Detailed design
- Securing land

Phase 4

- Tendering for contracts and subsequent contract management
- Construction

55. Failure of the Council to intervene, for instance through forward funding, and leaving it to the market could result in the following:

- A delay to delivery of infrastructure and housing could affect the ability to take up the £12m HIF funding;
- A delay (or worse) in delivering housing in the PREA with the Council potentially failing the Housing Delivery Test in the future – this could result in not demonstrating a 5 year housing land supply with implications for additional appeals (which cost upwards of £100,000 per major inquiry), and potentially uncoordinated development allowed without the necessary infrastructure. Infrastructure deficits from poorly coordinated development could fall back on the public purse in the long term and adversely affect the reputation of the Council;
- There could be direct and/or indirect implications for the level of New Homes Bonus that the Council receives, either in terms of absolute levels of funding received or delays in funding received.

56. Conversely forward funding could:

- Result in the Council not recovering all its investment. This would only occur if the HIF funding was not secured and there were difficulties in recovering the costs from developers. The amount of funding sought through this report is £500,000.
- Clearly if the Local Plan failed at examination or the Inspector recommended that the Princes Risborough expansion area should be deleted from the Local Plan this may affect the HIF funding. However given the high need for housing and a strong imperative from Government to deliver it, and given the high level of planning and environmental

constraints elsewhere in the District it is unlikely that significant growth at Princes Risborough will not be required in the future. Indeed any more than minimal growth at Princes Risborough would generate the need for a relief road.

- A related risk in relation to the HIF funding is whether it can be construed to constitute state aid. Although HIF is a national funding scheme that is being promoted by central government it is necessary to consider this, and counsel's opinion is being sought.

Alternative Delivery Mechanisms

57. Whilst the expectation is that the development will be delivered by the respective developers, this requires collaboration and a reasonable apportionment of costs between the different developers. The current work on the Delivery Plan will assist in cost apportionment. Should this approach not be forthcoming the Council may need to consider other options to bring forward the development that require a greater degree of intervention. Some of the many options include:
- To enter into a Hybrid Land Promotion agreement with a willing land owner whereby WDC would apply for planning permission and would then recoup the cost of doing so following grant, either through the sale of the land or implementation of the development by the land owner.
 - The setting up of a Joint Venture Vehicle so the development is progressed in collaboration between WDC and the landowners. This could itself take many forms and would require detailed consideration and advice at the time before proceeding in such manner.
 - Whilst the majority of the landowners are willing to work together, if some landowners are not prepared to then WDC could either negotiate with that landowner to purchase the land privately or as a last resort compulsorily purchase (CPO) the land. There are numerous considerations to take into account when considering using CPO powers which would have to be considered at a later stage, but WDC would have the option to CPO the land for direct (back to back) sale to a developer if WDC has a developer on board to take the project through.
58. If ultimately none of the land owners are willing to progress then WDC may need to consider a CPO of the entire PREA site to deliver the housing. This could be in conjunction with a third party to fund the project and develop the land.
59. The above is not an exhaustive list of the options available, all of which would need further consideration and evaluation at the time.

Consultation

60. The Local Plan has been subject to very extensive consultation during the course of its preparation, most recently the statutory consultation undertaken in October – December 2017 on the Publication Version of the Plan. This consultation included extensive public and stakeholder consultation in Princes Risborough, and included working with a Steering Group of local stakeholders chaired by the Town Council. Further consultation is anticipated on the preparation of the Planning Guidance referred to above and individual

schemes/planning applications will have their own consultation as and when they are submitted.

Options

61. There are two main options, as outlined above:
 1. To provide forward funding of up to £500,000 to enable the HIF funded element of the Princes Risborough Expansion Area to progress in a timely manner;
 2. To not provide forward funding and rely on the development industry to bring forward the development and necessary infrastructure in a timely manner.
62. Failure to forward fund could result in delays to the delivery of the housing and infrastructure, with potential implications for the take up of the HIF funding and other potential adverse financial implications. Delays in delivery could also result in other development being permitted in less appropriate locations, more uncoordinated development with inadequate infrastructure provision.
63. There are risks with the Council forward funding initial work on the HIF scheme but the extent of commitment recommended in this report means this risk is relatively low, given the likelihood of the HIF funding being confirmed and the ability to reclaim those cost back from HIF.
64. Whilst the recommendations in this report relate to facilitating the delivery of the HIF scheme which is an early phase of infrastructure delivery for the expansion area as a whole, it will be important to keep under review progress made by landowners and developers in bringing forward the development and associated infrastructure in a timely manner. If necessary the Council may need to consider the use of other powers, including compulsory purchase and other delivery mechanisms to ensure delivery. These issues, which are discussed in brief above, would need to be the subject of future report(s) to Cabinet in due course.

Conclusions

65. The proposed expansion of Princes Risborough represents a major and complex project and one that will deliver major housing growth. It is essential that that growth is supported by the right infrastructure delivered in a timely manner. The Council has worked closely with stakeholders including the local community in developing the proposals and has been successful in securing funding bids to assist with developing the proposals and implementing one of the key early phases on infrastructure delivery. The project has been put on a firm footing in terms of governance. It is essential that momentum is maintained in facilitating delivery of the expansion area by ensuring that the HIF element of the scheme stays on track - hence appropriate limited forward funding and delegation to release HIF funding is recommended.

Next Steps

66. Individual reports will be brought to Cabinet as and when they are required to progress the work, both in terms of individual actions/interventions to facilitate delivery and in terms of planning guidance to shape future planning applications.

Background Papers

Report to Cabinet, 18 September 2017, Minute No. 32 - Capital Budget Amendment - Land Acquisition, Princes Risborough.

Report to Cabinet, 18 September 2017, Minute No. 24, New Wycombe District Local Plan, Little Marlow Lakes Country Park and Community Infrastructure Levy Receipts.

Report to Cabinet, 21st September 2015, Minute No. 32, Potential Expansion of Princes Risborough and Community Infrastructure Levy Receipts.

Report to Cabinet, 12th December 2016, Minute No. 55, Local Plan Update.

Report to Cabinet, 6th June 2016, Minute No. 6, New Local Plan - Consultation Draft.

Executive Decision, 26th January 2016, Consultation on the Draft Princes Risborough Town Plan.

Report to Cabinet, 4th November 2013, Minute No.43, New Local Plan Options Report.

Buckinghamshire Delivery Study for Buckinghamshire (Wessex Economics)(August 2017).

Princes Risborough Expansion Viability Report (GVA Grimley)(March 2017).