



Report For:	Cabinet
Date of Meeting:	Special Cabinet 19 August 2019
Part:	Part 1 - Open Report with Part 2 Appendices
If Part 2, reason:	Para 3 - Information about the financial or business affairs of any particular person (including the authority holding that information).

SUMMARY

Title of Report:	ABBEY BARN LANE REALIGNMENT
Cabinet Member: Officer Contact: Direct Dial: Email:	Councillor David Johncock Ian Manktelow 01494 421579 Ian.Manktelow@wycombe.gov.uk
Ward affected:	Abbey & Ryemead
Reason for the Decision:	<p>Homes England require a clear commitment from the Council that we are committed to securing land required for the Abbey Barn Lane Realignment Project, whether it be by private treaty or compulsory purchase. This is a condition of the grant award.</p> <p>This commitment and undertaking will allow the Council to access the £7.5m grant funding awarded to the £11.5m project from Homes England and is key to agreeing the Terms and Conditions associated with the grant funding.</p>
Proposed Decision:	<p>That:</p> <p>(i) Delegated Authority be given to the Interim Chief Executive (WDC) in consultation with the Head of Finance & Commercial, the Cabinet Member for Finance and Cabinet Member for Planning to enter commercial negotiations for and to acquire by private treaty the land required for the realignment of Abbey Barn Lane, and in parallel to take preparatory steps to acquire the land required using powers of compulsory purchase, within the approved budget; and</p> <p>(ii) Delegated Authority be given to the Head of Finance & Commercial in consultation with the District Solicitor (WDC) to agree the Grant Determination Agreement as and when it becomes available.</p>

Sustainable Community Strategy/Council Priorities - Implications	<p>To ensure that Wycombe District Council meets its housing targets as set out in the Local Plan.</p> <p>Risk: The key risks are set out in the main body of the report.</p> <p>Equalities: n/a</p> <p>Health & Safety: n/a</p>
Monitoring Officer/ S.151 Officer Comments	<p>Monitoring Officer: Local Government Act 1972 empowers the Council to acquire by agreement any land, whether situated inside or outside their area for the benefit, improvement or development of their area or to make an Order for compulsory acquisition by virtue of powers contained in the Town and Country Planning Act. A further report which sets out in detail the land required under any CPO will be required. Under the current constitution this would be to Cabinet. The appropriate authority will be reviewed under the new unitary arrangements.</p> <p>S.151 Officer: : February Cabinet agreed a budget of £7.5m funded by Housing Infrastructure Fund, a supplementary estimate of £4m will be submitted to September Cabinet, this is funded from S106 Developer Contributions with £2.5m relating to Abbey Barn Lane South and £1.5m relating to Abbey Barn Lane North. The £2.5m ABL S106 agreement has been signed by the developer. The agreement required to deliver the final £1.5m relating to ABLN is profiled to commence in 2021/22 This programme will need to be considered by the Shadow Executive given the implications on the future Buckinghamshire Council.</p>
Consultees:	N/A
Options:	N/A
Next Steps:	<p>Commence the process of CPO and Commercial Negotiations.</p> <p>If commercial negotiations fail to make a CPO.</p>
Background Papers:	Wycombe District Council Local Plan 9 th July 2018 Cabinet
Abbreviations:	<p>WDC – Wycombe District Council BCC – Buckinghamshire County Council HIF – Housing Infrastructure Fund ABLR – Abbey Barn Lane Realignment OJEU - Official Journal of the European Union CPO - Compulsory Purchase Order LGF - Local Growth Fund</p>

Appendices to this report are confidential but as follows:

Exempt Appendix A	HIF Award Letter with T&C's
Exempt Appendix B	WDC Capital Plan Extracts
Exempt Appendix B1	Supplementary Bid
Exempt Appendix B2	Funding for Supplementary Bid
Exempt Appendix C	WDC Business Cash Flow
Exempt Appendix D	Land Acquisition Budget

Detailed Report

Introduction

1. In order to secure HIF funding, approval to commence the CPO process is required. This resolution does not bind us to 'make a CPO' as that would require a detailed design, confirmed land-take valuations etc. WDC are seeking to commence the process of CPO and enter commercial negotiations in parallel.

Background

2. In February 2018 Homes England announced that Wycombe District Council had successfully secured £7.5m of Housing Infrastructure Funding in principal towards the £11.5m Abbey Barn Lane Re-alignment scheme to unlock key housing sites allocated within the Local Plan.
3. A paper detailing next steps was taken to 9th July 2018 Cabinet where it was resolved that:
 - (i) *Cabinet agree to forward fund design work and project team costs relating to the Housing Infrastructure Fund bid for the realignment of Abbey Barn Lane up to £250,000 on the basis that this will be recovered from the Housing Infrastructure Fund if and when this funding is released to the Council from Homes England. Delegated authority be granted to the Head of Finance in consultation with the Head of Democratic Legal and Policy Services to release these funds;*
 - (ii) *Cabinet grant delegated authority to the Corporate Director in consultation with the Head of Finance, Cabinet Member for Finance and the Cabinet Member for Planning, to release Housing Infrastructure Fund monies, once the funds are released to the Council and subject to detailed terms and conditions (when available); and*
 - (iii) *Delegated authority be granted to the Head of Finance in consultation with the Head of Democratic Legal and Policy Services to agree the Housing Infrastructure Fund terms and conditions, once they become available.*
4. Further clarification work was undertaken and formal approval, subject to terms & conditions, was received in June 2019 by WDC from Homes England that they had been successful in securing £7.5m towards the scheme. Homes England has clarified that the funding is grant funding. However, they do require a commitment from the Council that we will secure the necessary land required to deliver the Abbey Barn Lane Realignment, whether it be by private treaty or compulsory purchase.

Housing Delivery

5. The £11.5m ABLR scheme would deliver an improved and more resilient highway network as well as unlocking or facilitating the delivery of over 700 homes. It will unlock Abbey Barn North (HW4) for development and facilitate the delivery, albeit to a lesser extent, of Abbey Barn South (HW5), both allocated as key housing sites within the Local Plan. The scheme is funded by HIF (£7.5m grant funding) and developer contributions (£4m).
6. WDC part owns the Abbey Barn North site and are currently in discussions with the other land owner as to the way forward.
7. Abbey Barn South developers, Berkeley Homes, has outline planning for 550 houses, 1.6 HA of commercial floor space and provision of community facilities. It has received detailed planning for 129 homes and will be commencing on site in due course. Now confirmation of the HIF funding has been received, Berkeley Homes is keen to enter into discussions with regards to the remainder of its site. The developers at Abbey Barn North

have developed a master plan that will deliver 140 non-standard homes on a challenging site.

8. The total number of homes that this funding will unlock is circa 541 new homes.

Supplementary Estimate & Cash Flow

9. Wycombe District Council approved the Capital Programme 2018/19 -2023/24 at February 2019 Cabinet. Abbey Barn Lane Realignment forms part of the Capital Programme and the Capital Plan notes that £7.5m of the £11.5m scheme will be funded from HIF and the remaining £4m funded by developer contributions (see Appendix B – Capital Plan Extracts). A supplementary estimate will be undertaken as part of the September 2019 Capital Refresh (See Appendix B1 and B2).
10. £2.5m has already been secured from Abbey Barn South with the s106 agreement being signed on 4th July 2019 for the scheme. The remaining £1.5m will be sought from the developers at Abbey Barn North.
11. The September 2019 Capital Refresh will re-align this budget within the main Capital Programme to £11.5m. A Cash Flow forecast is attached at Appendix C.

Risk

12. Failure to commence CPO proceedings would seriously jeopardise the release of HIF funds as it is a condition of the £7.5m grant award.
13. Without HIF funding and the resultant road scheme Abbey Barn North would not be viable. Thus a limited number of homes, if any, would be delivered on these sites thus adversely affecting housing delivery, and resulting in a less resilient highway network.
14. There is a cash flow issue that needs to be managed. The cash flow will be managed as part of the day to day on-going treasury management function. Homes England has agreed to early drawdowns that would allow the project to progress in line with the approved programme.
15. Without the funding WDC land holdings value may not be realised. If the scheme is not progressed thus there would be an impact on the Capital Budgets available to the Authority.

Homes England Terms & Conditions

16. The terms & conditions that need to be met to release the funding are relatively straight forward, and work is in hand to comply with these. There is a specific condition that requires WDC to demonstrate commitment to commence the CPO process in respect of land, if required.
17. Homes England has clarified that they do not require the 'making of a CPO' but rather the need to have Cabinet Approval to commence the process of CPO e.g. commencing land valuations, appointing agents, detailed design for land take etc.
18. Homes England has agreed, subject to terms & conditions, that early drawdowns for design works and land assembly are acceptable. These drawdowns will be essential to progress the project in line with the programme and will fund the CPO/land assembly process and design works.

Funding, Delivery, Governance and Progress to Date

19. A Programme Board of officers from both WDC and BCC has been established which sets out Governance Arrangements for both HIF schemes. This is chaired by John East, Corporate Director WDC.
20. WDC and BCC will work together to deliver the project. A Memorandum of Understanding was signed between WDC and BCC which agreed the principles of the project and how it will be managed and delivered. WDC Infrastructure and Projects Team and BCC

Highways Implementation Team will deliver this project jointly as they have done so in the past on projects such as the LGF funded HW Town Centre Masterplan (HWTCMP).

21. WDC committed £250,000 Capital (WDC July Cabinet 2018) to progress the ABLR scheme. Thus far £125,000 has been released to progress time critical ecological surveys and initial design work. A further release of funding will be required by the end of Quarter Two 2019/20 to continue in line with the agreed programme.
22. BCC Highways Infrastructure Project team has commissioned Aecom and Galliford Try to design and deliver this project using the Midlands Highways Alliance framework agreement they have in place. This framework is fully compliant with the relevant legislation i.e. OJEU complaint and has been used by BCC extensively. Aecom are on programme and are directly managed by BCC.

Resourcing Implications

23. Land assembly has been budgeted for in the overall funding envelope for the ABLR scheme, so no further funding is expected to be needed. However, phasing of land assembly needs to be considered as part of the overall cash flow for the project.
24. As outlined in paragraph 9 of this report, a supplementary estimate as part of the September 2019 Cabinet Capital Refresh will be undertaken.
25. It is anticipated that a negotiated position can be reached with two of the three land owners (Acropolis and Persimmon) with a CPO being likely to be needed to secure the third land holding. WDC Estates have commenced the process of opening discussions with each land owner. Initial valuation works have been undertaken and these are attached at Appendix D.
26. As outlined earlier, Homes England has agreed that early cash drawdowns for design works and CPO/ land assembly are acceptable and these drawdowns will enable the project to progress in line with the programme.

Legal Implications

27. Local Government Act 1972 empowers the Council to acquire by agreement any land, whether situated inside or outside their area for the benefit, improvement or development of their area or to make an Order for compulsory acquisition by virtue of powers contained in the Town and Country Planning Act.

Summary

28. In order to secure HIF funding, approval to commence the CPO process is required. This resolution does not bind us to 'make a CPO' as that would require a detailed design, confirmed land-take, valuations etc.
29. The resolution to commence the CPO process would allow WDC to secure HIF funding and progress to a stage where a CPO can be made, if required. Work areas will include detailed design, surveys, appointing land agents and instructing valuations etc.
30. In parallel to commencing the CPO, WDC would enter commercial negotiations to secure the necessary land. Any CPO would only be confirmed if these fail.

Conclusions

31. Homes England require evidence that a commitment to securing the land is in place. Without this commitment the HIF grant funding is highly unlikely to be made available.