



WYCOMBE
DISTRICT COUNCIL

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:	PRINCES RISBOROUGH RELIEF ROAD
Cabinet Member: Officer Contact: Direct Dial: Email:	Councillor David Johncock Ian Manktelow 01494 421579 Ian.Manktelow@wycombe.gov.uk
Ward affected:	Princes Risborough
Reason for the Decision:	<p>Homes England require a clear commitment from the Council that we are committed to securing land required for the Princes Risborough Relief Road 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 £12m funding awarded to Wycombe District Council from Homes England and is key to agreeing the Terms and Conditions associated with the funding.</p>
Proposed Decision:	<p>That:</p> <ul style="list-style-type: none">(i) Delegated Authority be given to the Interim Chief Executive (WDC) in consultation with the Head of Finance & Commercial, 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 relief road and in parallel to take all preparatory steps to acquire the land required using powers of compulsory purchase as part of the Princes Risborough Expansion Area project within the agreed budget; and(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>	<p>To ensure that Wycombe District Council meets its housing targets as set out in the Local Plan. To ensure that the Princes Risborough Expansion Area project is delivered</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>
<p>Monitoring Officer/ S.151 Officer Comments</p>	<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 approved a budget of £14.7m funded mainly by Housing Infrastructure Fund £12m and S106 Developer Contributions £2.7m. If the CPO can be delivered within the specific land acquisition and compensation budget and the Shadow Executive are supportive of the whole scheme then in accordance with spend protocol the CPO can proceed.</p> <p>The estimated cost has increased significantly in the region of £7m, this is summarised in Appendix D. This exceeds the existing approved budgets and therefore will need to be considered by the WDC Cabinet and the Buckinghamshire Council Shadow Executive. Detailed work on risk, cash flow and the implications of the timing of expenditure and contributions and the overall business case will be brought back to November Cabinet.</p> <p>Members will need to consider the risk of not securing the £12m HIF funding and the overall budget position when considering the need to pursue a CPO.</p>
<p>Consultees:</p>	<p>N/A</p>
<p>Options:</p>	<p>N/A</p>
<p>Next Steps:</p>	<p>Commence the process of CPO and Commercial Negotiations. To return to Cabinet and Shadow Executive if either commercial negotiations or CPO exceed the approved budget.</p>

Background Papers:	Wycombe District Council Local Plan 4 th June 2018 Cabinet
Abbreviations:	WDC – Wycombe District Council BCC – Buckinghamshire County Council HIF – Housing Infrastructure Fund PREA – Princes Risborough expansion Area OJEU - Official Journal of the European Union CPO – Compulsory Purchase Order

Appendices to this report are confidential but as follows:

Exempt Appendix A – HIF Award Letter with T&C's

Exempt Appendix B – Land Acquisition Budget

Exempt Appendix C – Approved budget

Exempt Appendix D – WDC Business Cash Flow

Detailed Report

Introduction

1. The first section of the Princes Risborough Relief Road is part funded by HIF. It is the first part of a larger relief road project to enable the delivery of the Princes Risborough Expansion Area (PREA). The PREA will see the delivery of around 2500 homes as well as social, green and physical infrastructure. 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
2. In order to deliver Phase 1 of the relief road a number of land parcels need to be secured, either via private treaty or CPO. This resolution is to commence the CPO process for the whole route of the relief road and other essential infrastructure. The Council has already resolved (Cabinet December 2016) in principle to use Compulsory Purchase powers to deliver the proposals in the Local Plan and associated infrastructure in appropriate circumstances.

Background

3. The PREA will see the delivery of almost 2500 new homes, and has a gross development value (GDV) of £720m. It will deliver circa £90m in infrastructure and will generate circa £23m CIL. Although the overall scheme is viable, there are cash flow issues associated with the provision of initial infrastructure which the HIF funding addresses.
4. In February 2018 Homes England announced that Wycombe District Council had successfully secured £12m of Housing Infrastructure Funding in principal towards the Princes Risborough Relief Road scheme that will help facilitate the PREA, as set out within the Local Plan.
5. A paper detailing next steps was taken to 4 June 2018 Cabinet where it was resolved that:
 - (i) Subject to approval of full Council to release funding of £500,000 from revenue reserves, Cabinet agreed 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 be recovered from either developer contributions or the Housing Infrastructure Fund when the funding was released. Delegated authority be granted to the Head of Finance in consultation with the Head of Democratic Legal & Policy Services to release the £500,000;

- (ii) Cabinet grant delegated authority to the Head of Finance, in consultation with the Corporate Director and the Cabinet Member for Finance and the Cabinet Member for Planning, to release Housing Infrastructure Fund monies, once the funds were released to the Council and subject to detailed terms and conditions (when available);
 - (iii) Delegated authority be granted to the Head of Finance in consultation with the Head of Democratic Legal & Policy Services to agree the Housing Infrastructure Fund terms and conditions, once they become available.
6. Further clarification work was undertaken and formal approval, subject to terms & conditions, was received in June 2019 from Homes England that WDC had been successful in securing £12m towards the scheme. Homes England has clarified that the funding is a recoverable grant (recoverable by WDC), to be recycled on a project that will unlock housing within the locality. Once recovered the funding has the status of a capital grant, i.e. it is non repayable.
7. As part of agreeing the terms & conditions, Homes England require a commitment from the Council that it will secure the necessary land required, whether it be by private treaty or compulsory purchase, to deliver the Princes Risborough Relief and other essential infrastructure.

Finance

8. As part of the funding clarification work to secure the HIF, a high level revised cost estimate was developed. This has informed a high level cash flow for the project, attached at Appendix D, which still requires further detailed work to demonstrate the balanced position and the detailed implications (this will form part of the November 2019 Cabinet Report).
9. Furthermore an initial land valuation report was commissioned for elements of the Relief Road and the necessary information is in Appendix B.
10. A detailed report outlining the costs for the Princes Risborough Relief Road Phase 1 project will be taken to November 2019 Cabinet and will inform the revised Capital Programme for the new Authority. This report will be informed by the Balfour Beatty Feasibility Report that is currently in progress.

Risk

11. The lack of a resolution to commence CPO proceedings would seriously jeopardise the release of HIF funds as it is a condition of the grant award.
12. Without HIF funding and the resultant Phase 1 road scheme alternative options to fund the initial stages of the relief road will need to be identified. Otherwise the PREA would be only partially delivered (up to a maximum of 550 homes) without the wider infrastructure benefits, and would strain existing infrastructure (social, highway, education etc).
13. There is a cash flow risk that needs to be managed as part of on-going treasury management function. Homes England have agreed to early drawdowns that would allow the project to progress in line with the approved programme.

Homes England Terms & Conditions

14. The terms & conditions that need to be met to release the funding are attached at Appendix A. There is a specific condition that requires WDC to demonstrate commitment to commence the CPO process in respect of land, if required, to secure the HIF funding.
15. 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 i.e. commencing land valuations, appointing agents, detailed design for land take etc.
16. 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

17. A Princes Risborough Delivery 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. BCC is leading on delivery of the first stage of the road, with WDC input. A Memorandum of Understanding was signed between the Councils which agreed the principles of the project and how it will be managed and delivered.
18. WDC committed £500k Capital (WDC July Cabinet 2018) to progress the Princes Risborough Relief Road scheme. Thus far £185,000 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.
19. BCC Highways Team have commissioned Balfour Beatty to design and deliver this project using the SCAPE framework agreement they have in place. This framework is OJEU compliant and has been used by BCC Highways extensively. Balfour Beatty are on programme and are directly managed by BCC. They are due to submit a feasibility report that provides a detailed programme and revised costs estimate by the end of July 2019.

Resourcing Implications

20. Land assembly has been allowed for in the current budget for the Princes Risborough Relief Road scheme.
21. However, further funding may be required to secure the necessary land due to potential uplift in land values etc, and to deliver the overall scheme. A separate report to November Cabinet will deal with this. It is hoped a negotiated position can be reached with some land owners but a CPO may be necessary to secure all the land required. Carter Jonas have provided a high level valuation for the land parcels (Appendix B), but no further land assembly work has commenced as yet.
22. As outlined earlier Homes England has agreed that early drawdowns for design works and land assembly are acceptable. These drawdowns are essential to progress the project in line with the programme and will fund the CPO/land assembly process and design works.
23. WDC are currently seeking expressions of interests from land agents to come forward with proposals for not just Phase 1 but the whole route, as part of developing a land acquisition strategy.

Legal Implications

24. 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. Prior to making a CPO further Cabinet approval may need to be secured.

Summary

25. 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.
26. 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 if required, subject to further Cabinet approval. Work areas include detailed design, surveys, appointing land agents and instructing valuations etc.

Conclusions

27. 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.