

REPORT OF CABINET MEMBER FOR TRANSPORT AND HIGHWAYS.**HUCKNALL TOWN CENTRE IMPROVEMENT SCHEME –
DEPARTMENT FOR TRANSPORT DECISION AND PROJECT UPDATE.****Purpose of report**

1. To inform Cabinet that the Department for Transport has granted the Hucknall Town Centre Improvement Scheme (HTCIS) 'Programme Entry' and will provide a total capped contribution of £8.489m subject to adherence to a number of conditions.
2. To notify Cabinet of the conditions attached to the offer of Government funding which require Chief Finance Officer sign off.
3. To seek Cabinet approval to proceed with the detailed design, legal, statutory and procurement processes to advance the scheme to a state of readiness for a further submission to DfT for 'Full Approval'.
4. To seek Cabinet approval to acquire land required by the scheme via negotiation, subject to the reporting procedures to the Cabinet Member for Finance and Property.

Background

5. The Major Transport Scheme funding process was streamlined following the October 2010 Comprehensive Spending Review and the Hucknall Town Centre Improvement Scheme (HTCIS) placed in the 'development pool' with 44 other schemes. On 5th September 2011 the Cabinet Member gave approval to officers that a 'Best and Final Funding Bid' (BAFFB) submission to be made to the DfT. Subsequently, a funding bid setting out the details of the proposed scheme, a programme for the construction and seeking a DfT contribution of £8.489m was submitted on the 9th September 2011.

Department for Transport

6. On 30th November 2011, the DfT confirmed by letter that "*Ministers have agreed to provide Nottinghamshire County Council, the funding requested, subject to the following conditions and thereby reconfirm Programme Entry for the scheme. This should allow your Authority to commence legal and procurement processes (but not enter into contractual or other legal commitments for the construction of the scheme) following which a request for Full Approval can be made*". The letter also confirmed that the total DfT contribution to the scheme is capped at £8.489m towards the estimated total

scheme cost of £12.283m (excluding ineligible preparatory costs). An email containing 2 supplementary conditions was received on 14 December 2011.

7. All costs incurred developing the scheme from this point forward until Full Approval is received will be at the County Council's risk. Similarly further land needed to develop the scheme could be acquired by negotiation but this would be at risk of the scheme not progressing.

Land Acquisition

8. Significant costs can be saved in acquiring land via a negotiated settlement (rather than compulsory purchase) and it is considered prudent to do so wherever possible. Should the scheme not go ahead any acquired land will have a resale value. There is however no budget available to buy the land until Full Approval is received from DfT. This would not be until the end of 2013, and as such, any land purchased between now and Full Approval would need to be funded from County Capital Funds and then subsequently repaid in financial year 2014/15.

Project Update / Further Considerations

9. At the time of the BAFFB submission the total project cost was estimated at £12.375m. This comprised a bid to the DfT of £8.489m, a contribution from Ashfield District Council of £1.35m and the remaining £2.536m from the County Council. The County Council contribution includes Local Transport Plan (LTP) monies already spent, the value of the Council's land holdings required for the scheme, future County Capital, and LTP3 contributions in 2014/15 (£0.119m) and 2015/16 (£0.200m). The County Council is also now required to cover the costs of any compensation claims (made under Part 1 of the Land Compensation Act 1973) which under revised funding arrangements are excluded from the total bid costs to DfT.
10. Since the submission of the BAFFB, further discussions have taken place with the representatives of the District Valuer's Office (DV) regarding the likely costs of land acquisition and the value of land already acquired. This suggests that the costs of future land acquisition required to implement the scheme may exceed the original sum included in the BAFFB. The DV estimate is some £0.91m higher than the original figures however these are only estimates and actual settlement figures could be higher or indeed closer to the original estimate.
11. As with any major project the iterative process of detail design, property acquisition and on going scheme assessment contains risks. Whilst the County Council is well placed to manage such uncertainties, a regular review of costs and value for money will be maintained. Within the scheme total there is a risk layer for the whole project of £0.573m. However it is important to stress that the County Council is responsible for meeting all expenditure over and above the Department's contribution. If the final scheme cost subsequently exceeds the £12.375m estimate then additional monies will need to be allocated from County reserves or other non DfT sources.
12. With this iterative process in mind it will be prudent for NCC to continue to monitor and review the scope of the scheme and its benefits. Subject to

necessary consents and approvals, scope changes to the project will be fully considered by all funding partners and where appropriate incorporated into a revised scheme. A final decision on the viability of the scheme will come back to Cabinet when all this work has been completed, including the planning process, and this is likely to take between 18 and 24 months.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of Finance, Equal Opportunities, Personnel, Crime and Disorder, the Local Member and those using the service. Where such implications are material, they have been brought out in the text of the report. Attention is however drawn to specifics as follows:

Equal Opportunities Implications

14. The proposed scheme will offer an improvement to public transport operations within Hucknall including a bus only access link and improved waiting and interchange facilities. The pedestrianisation of the High Street will offer improved facilities for those on foot and will be designed with Inclusive Mobility principles (DDA compliance) at the foremost.

Financial Implications

15. These are set out in the report.

Proportionality

16. The decision-maker needs to consider whether the benefits of implementing the proposals outweigh any adverse effect on the human rights of nearby residents or road users. The decision-maker must weigh any competing interests and decide which are more appropriate taking all of the above into account.

RECOMMENDATIONS

17. It is RECOMMENDED that Cabinet:
 - (a). note that the approval to progress the scheme has been received from DfT with a capped DfT contribution of £8.489m.
 - (b). note the conditions attached to the offer of DfT funding and note that a further report(s) will be submitted to Cabinet once the scheme details and cost implications for the authority are finalised.
 - (c). approval is given to progress the scheme further including detailed design, and all necessary statutory and legal processes.
 - (d). approval is given to acquire land required by the scheme via negotiation, subject to the approval of the Cabinet Member for Finance and Property.

Councillor Richard Jackson
Cabinet Member for Transport and Highways

For any enquiries about this report please contact: Neil Hodgson, Team Manager
Major Projects and Improvements.

Constitutional Comments (NAB 19.01.12)

18. Cabinet has authority to approve the recommendations set out in this report.

Financial Comments (MA 18/01/12)

19. The capital programme to be presented for approval at County Council on the 23rd February 2012 includes the above allocations for the Hucknall Town Centre project. These allocations include original estimates for land and do not include any potential implications arising from discussions with the District Valuer's Office. This may result in reduced or additional costs and will need to be the subject of future reports accordingly.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

HTCIS Best and Final Funding Bid 9th September 2011.

Letter from DfT 30th November 2011 (Offer of Funding).

E mail from DfT concerning further funding conditions 14th December 2011.

Electoral Division(s) and Member(s) Affected

All Hucknall Wards

Councillor Rev Tom Irvine
Councillor Mick Murphy
Councillor Kevin Rostance