

## **REPORT OF THE LEADER OF THE COUNCIL**

### **HOUSING INFRASTRUCTURE FUND (HIF) BID SUBMISSION**

#### **Purpose of the Report**

1. To seek Policy Committee approval to submit the Housing Investment Fund (HIF) bid business case to Homes England by 22 March 2019.

#### **Information**

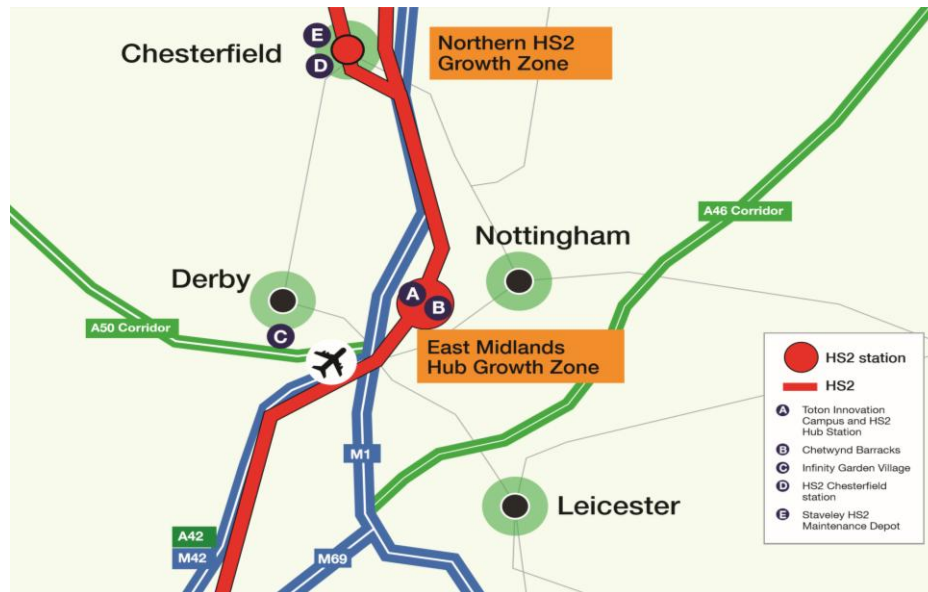
2. The Housing Investment Fund is a government capital grant programme of up to £5.5 billion, which will help to deliver over half a million new homes in total. It is intended to deliver physical infrastructure to support new and existing communities and support ambitious local authorities who want to progress their plans for growth. All funding must be committed by March 2024.
3. In late 2017, Nottinghamshire County Council, working closely with Local Authority partners and in close consultation with Homes England, led the submission of an expression of interest (EOI) for a HIF forward funding bid. At the outset of the HIF forward funding programme, the government required bids to be led by upper tier authorities. In Nottinghamshire the bid is focused on new road infrastructure to unlock high quality housing in the Toton HS2 Growth Hub and adjoining Chetwynd Barracks.
4. The bid entitled “East Midlands HS2 network of garden villages” was derived from the East Midlands HS2 Growth Strategy which was approved by Policy Committee and other partners across the East Midlands in September 2017. The bid is focused on providing key infrastructure to unlock new housing in strategic locations across the East Midlands. The EOI was successful and in March 2018 it was announced it had been shortlisted. The proposal initially involved five sites based on the East Midlands HS2 Growth Strategy and includes sites being promoted by Derby City Council and Derbyshire County Council, working closely with the respective district councils.
5. The HIF bid is now in its second stage with a submission deadline of 22 March 2019. It is proposed that authority to approve the business case to Homes England is delegated to the Corporate Director Place and Section 151 Officer, in consultation with the Chairman of the Policy Committee. The content of the business case will also be agreed with our partner authorities prior to submission.
6. Local authority bids are to be competitively assessed and must demonstrate how well they meet the following criteria:
  - Adopting a strategic approach, with strong local leadership and joint working to achieve higher levels of housing growth in the local area

- Value for money
  - The proposal must demonstrate that delivery is feasible with investment in infrastructure unlocking the delivery of new homes.
7. The East Midlands HIF £76m bid is led by Nottinghamshire County Council in partnership with two other upper tier authorities, Derbyshire County Council and Derby City Council, together with Chesterfield Borough Council, Broxtowe Borough Council and South Derbyshire District Council.
8. A key component of the HS2 Growth Strategy is the identification of two growth zones and an associated network of Garden Villages. In response to this opportunity, local councils in the East Midlands have identified key infrastructure developments that will support the delivery of over 14,000 new homes of a high quality and design with excellent local facilities such as schools and open spaces. The East Midlands HIF bid centres on delivering transformational levels of new homes in each of the following Growth Zones:
- **East Midlands HS2 Hub Growth Zone:** the Hub station site at Toton and the adjacent Chetwynd Barracks, together with the associated Garden Village development at Infinity Garden Village in Derby
  - **Northern HS2 Growth Zone** – the areas around the existing railway station in Chesterfield, which will receive HS2 services via the electrified Midland Mainline and purpose built spur to Clay Cross, and the proposed HS2 Infrastructure Maintenance Depot (IMD) at Staveley which will maintain the line through to Leeds.
9. Led by Nottinghamshire County Council, the bidding process has been a collaboration across East Midlands Councils co-produced with Homes England providing technical support and advice. Homes England have also provided the funding to prepare the bid. Since the expression of interest was submitted the details of the final bid have changed to reflect technical advice from Homes England and the removal and addition of sites in Chesterfield and Derby to reflect deliverability. The proposals have been refined and now focus on the following sites.

<b>Table 2: HS2 East Midland – Network of Garden Villages (Stage 2)</b>		
<b>Scheme</b>	<b>HIF</b>	<b>Homes</b>
Wider Infinity Garden Village <sup>1</sup>	£25m	4,700
Toton & Chetwynd	£26.5m	3,700
Chesterfield Town Centre	£21.95m	4,210
<b>TOTAL</b>	<b>£76.45m</b>	<b>12,610</b>

<sup>1</sup> This includes a HIF ask of £5m and 800 houses associated with Boulton Moor

10. The map below illustrates the HS2 Growth Zones and network of HS2 Garden Villages.



11. This report focusses primarily on the strategy for Toton and Chetwynd as the sites being promoted within Nottinghamshire. It also provides a preliminary outline regarding the wider context and implications of the bid in terms of Nottinghamshire County Council's proposed role as the accountable body. As detailed below it is proposed to take a delegative approach to implementation. It is envisaged at this stage that the County Council, if the bid is successful in principle, will look to enter into back-to-back agreements with the other authorities participating in the bid i.e. Derby City Council and Derbyshire County Council as the upper tier authorities responsible for the Infinity Park and Chesterfield components of the bid. This is however subject to the outcome of legal advice and discussions with our local authority partners.

12. For a programme of this scale and complexity it is necessary to bring on board the very best advice and expertise at the right time. An expert team of advisers has therefore been brought on board by the partners, using grant funding from Homes England. All consultants engaged to deliver work for the HIF bid have been commissioned in line with Nottinghamshire County Council procurement requirements. The team includes:

- Amion consulting are project managing the bid and providing the overarching economic and business case;
- Thomas Lister are providing commercial agency advice;
- DWF Solicitors have been commissioned to provide specialist legal advice on the compatibility of the HIF bid with state aid regulations. DWF are on the Homes England Legal Panel and are state aid specialists; and
- Faithful and Gould providing an independent review of costs and ensuring value for money.

The above team are working across the programme to review all aspects of the bid. Each area team also has specialists working on the details of their specific proposals.

## Progress – Toton & Chetwynd

13. The project specific team for Toton and Chetwynd includes a team of transport planners (AECOM) and traffic modellers (Systra), supported by local authority transport teams. The data provided by this transport modelling will have wider benefits for partners and will be used to inform other projects. Commercial agency advice including land strategy advice has been provided by Cushman and Wakefield with Strategic Planning support provided by Arup. The latter has been crucial to securing greater alignment between the Growth East Midlands HS2 Growth Strategy and Broxtowe Part 2 Local Plan and in particular the potential to realise a development capacity in excess of 4,500 upto 2045.
14. This total is comprised of 3,000 new homes at Toton and 1,500 at Chetwynd Barracks reflecting the capacity figure which Broxtowe BC has included as suggested modifications to the amended Broxtowe Local Plan and its examination. Although the local plan examination process has therefore helped identify a capacity of 4,500, the infrastructure identified in the HIF bid will actually facilitate 3,700 homes.
15. A Strategic Masterplan will be prepared to ensure that growth expected beyond the Plan period is delivered in a co-ordinated and collaborative way. These new homes are therefore in line with local plan growth aspirations delivering new high quality homes with new open spaces and community facilities.
16. Although not the focus for the HIF bid, the infrastructure works also facilitates the future development of the Innovation Campus which could create up to 10,000 high quality jobs.
17. Artist's impression of the vision for Toton, including the Innovation Campus:







18. The HS2 Growth Strategy was endorsed at the Policy Committee meeting held in September 2017. It highlights a three phased approach to improving the highway capacity in the Toton and Chetwynd area. The first phase, Toton Lane Link Road is designed to provide additional capacity to address existing congestion at Bardills Island, whilst also providing a much needed link to the north of Chetwynd Barracks and the creation of improved links between Chilwell and Toton. The HIF bid is focused on providing the essential funding for this critical link.
19. The planning strategy highlights the need for early development to be concentrated along the southern border of the strategic site at Toton. This is subject to detailed and positive consideration through Broxtowe Local Plan public examination. There are, however, a number of impediments to delivering this early phase, including the need to underground high voltage power cables.
20. Together the team has prepared a clear and robust evidence base to support capital investment through the HIF bid. This will be crucial to the delivery of housing at Toton and Chetwynd. It includes up to £26.5m for the construction of the link road, including land assembly and £6m for the undergrounding of high voltage power cables to ensure the realisation of a first phase of development.
21. The programme for growth at Toton continues to build momentum. Recent developments include:
  - Announcements to establish a Development Corporation for growth around Toton and including Ratcliffe and East Midlands Airport;
  - A joint bid by Nottinghamshire County Council and Broxtowe Borough Council for Future Places fund initiative <https://www.architecture.com/campaign/futureplace> ;
  - A linked bid has been submitted by Broxtowe Borough Council to designate Chetwynd as a Garden Community. <https://www.gov.uk/government/publications/garden-communities-prospectus> ; and
  - Representations made to the HS2 Working Draft Environmental Statement consultation including improved north/south and east/west connections through the area.
  - Acknowledgement in the emerging Broxtowe Part 2 Local Plan. The Inspector at the recent Independent Examination Hearing Sessions encouraged further dialogue between

key delivery partners at the two sites to put in place mechanisms to realise the vision set out in the Growth Strategy.

22. A successful HIF bid would enable Nottinghamshire County Council to deliver significant improvements to infrastructure which will benefit current Nottinghamshire residents as well as enabling us to support new and growing communities across the region. Furthermore, it would place us in an even stronger position to deliver our shared vision for Toton set out in the HS2 Growth Strategy as a place where future generations will aspire to live, work and spend leisure time. Connectivity and unlocking housing is critical to this.
23. We have secured letters of support from partners and key stakeholders to include with the HIF bid submission. These will form a vital part of the submission as they will demonstrate local support and engagement in proposals.

### **Governance and Accountable Body Status – Housing Infrastructure Fund**

24. In relation to the wider regional HIF bid itself, in taking on the accountable body status the Council will need to be satisfied that appropriate legal agreements are in place to protect its interests should the bid be successful. At the time of writing, legal advice is being sought on the implications of the authority acting as an accountable body, which will inform future discussions with our partner authorities (Derby City Council and Derbyshire County Council). No legal obligations are placed on the authority at the point of submission of the bid. Legal advice will have been received prior to the signing of any funding agreement and related contract in the event the bid is successful.
25. It is envisaged that in taking on accountable body status Nottinghamshire County Council will liaise with counterparts in Derbyshire County Council and Derby City Council who will take responsibility for their respective projects included in the bid i.e. schemes associated with Infinity Park, Derby together with projects to deliver new homes at Chesterfield.
26. In preparing the bid, the partners, including Nottinghamshire County Council as the lead authority, have secured £175,000 towards the costs of formulating the bid i.e. the costs highlighted in section 13 above. This funding has been secured through Homes England and is being administered through the County Council and the Section 151 Officer.
27. In terms of governance for the HIF bid, there is a Senior Officer Steering Group comprised of officers from each authority. Each of the projects will also be subject to consideration through respective decision making processes within host authorities i.e. Nottinghamshire County Council, Derbyshire County Council and Derby City Council.
28. Furthermore, the projects have wider oversight in terms of HS2 regional governance and specifically in the context of Toton, Chetwynd and Infinity Park, through the Toton Delivery Board and for the Northern Growth Zone, through the Chesterfield & Staveley Delivery Board.

### **Other Options Considered**

29. The 'do-nothing' option was discounted given the alignment with Nottinghamshire County Council's priorities. Not submitting a bid would mean missed opportunities to deliver infrastructure improvements for Nottinghamshire residents and to strengthen our position in relation to delivering the HS2 Growth Strategy ambitions.

## **Reason/s for Recommendation/s**

30. To ensure NCC has sufficient capacity to help drive the delivery of growth at Toton in a way that meets residents & business needs and aspirations. The HS2 programme is vital to the economic prosperity of the County and work needs to progress at pace.

## **Statutory and Policy Implications**

31. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

32. The HS2 East Midlands HIF bid has received an award of £175,000 in grant funding from Homes England towards the costs of preparing the bid. Arrangements are in place to draw down this funding. The costs of designing and costing the highways improvements and an initial assessment of the undergrounding of high voltage cables also benefit from match funding from a £1.8m Department for Transport grant being administered through D2N2 LEP (delivered in two tranches of £900,000 in 2018/19 and 2019/20). As such, all costs associated with submitting the bid and associated evidence base can be met from existing budgets.
33. The key issue relates to the implications arising should the bid be successful and Nottinghamshire County Council take on responsibility for the programme as the accountable body.

## **Implications for Service Users**

34. A successful HIF bid will enable the partner authorities involved to upgrade critical local infrastructure, benefitting existing communities as well as enabling the delivery of much needed homes in the region.

## **Implications for Sustainability and the Environment**

35. A successful HIF bid will help to deliver sustainable new development as it will reduce the strain on local resources potentially created through upgrading infrastructure early. The HIF proposal links with other projects aiming to deliver the growth at Toton. These include close consideration of the environment impacts and work is due to take place imminently to develop green infrastructure proposals for Toton and Chetwynd Barracks as part of connectivity and masterplanning commissions.

## **RECOMMENDATIONS**

It is recommended that:

- 1) Authority is delegated to the Corporate Director Place and Section 151 Officer, in consultation with the Chairman of Policy Committee to submit the final version of the Housing Infrastructure Fund Business Case to Homes England.

**COUNCILLOR MRS KAY CUTTS, MBE**  
**Leader of the Council**

**For any enquiries about this report please contact:** Adrian Smith, Corporate Director Place,  
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**Constitutional Comments [SLB 25/02/2019]**

36. Policy Committee is the appropriate body to consider the content of this report.

**Financial Comments[GB 25/02/2019]**

37. The financial implications are set out in the report.

**Background Papers and Published Documents**

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.

- None

**Electoral Division(s) and Member(s) Affected**

- All