

REPORT OF THE LEADER OF THE COUNTY COUNCIL**INVESTING IN NOTTINGHAMSHIRE: DELIVERING THE TOP WIGHAY FARM SUSTAINABLE URBAN EXTENSION****Purpose of the Report**

1. To accept the proposed funding offer from Homes England and to delegate authority to the Corporate Director, Place and the Group Manager, Legal, Democratic and Complaints to finalise the completion of the funding agreement.
2. To approve funding to undertake detailed design and construction of highway infrastructure and related works and request that Policy Committee approve a variation to the capital programme of up to £10.3m, including £5.8m external funding from Homes England, to enable detailed design and construction of highway infrastructure and related works associated with the Top Wighay Farm project.

Information

3. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.

Background

4. The new Council Plan "Your Nottinghamshire, Your Future" sets out an ambitious vision for the future of Nottinghamshire in which the county is at the forefront of modern Britain. We want Nottinghamshire to stand out as: a great place to bring up a family; to fulfil your ambition; to enjoy your later life, and, to start and grow your business.
5. We want Nottinghamshire to be a place where young people and young families have the opportunity to put down their roots and live healthy and fulfilling lives. In order to achieve this, we know that quality housing in good locations is vital. We will therefore work with developers and the Government to bring forward new housing that meets the needs of our growing population and everyone who wants to build their future here.
6. The Council has further defined its ambitions in its Place Strategy 2019-21 by investing in opportunity areas the Council aims to unlock new jobs and deliver better housing. Key activities identified for Investing in Nottinghamshire in 2019/20 in particular will be to begin the development of Top Wighay Farm near Hucknall,

including new County Council offices as anchor tenant of the employment space alongside new housing and infrastructure.

7. By embracing the ethos of working with Government in order to bring forward new housing, the Council has been very successful in securing a substantial offer of Homes England grant funding to kick start development at Top Wighay Farm. Making the best possible use of the surplus land at Top Wighay Farm will make a critical contribution towards fulfilling the Council's ambitions for the county and for the housing needs of its communities.
8. In February 2017, Gedling Borough Council produced a Supplementary Planning Document which provides a development brief for the Top Wighay Farm site. The document proposes a total number of 805 houses on the NCC owned land plus areas of employment land, a local centre, and a primary school. There is also an area of "safeguarded land" which is intended for housing development sometime in the future but cannot be developed until the allocated land has been fully built out. Further information regarding the safeguarded land is set out in the Exempt Appendix to this report.
9. Top Wighay is a large site and as such significant upfront funding is required to provide the necessary highway improvements and access into the site plus other infrastructure costs associated with necessary utilities. In addition, there are significant Community Infrastructure Levy (CIL) and S106 contributions. These consist of significant financial contributions primarily to the County Council itself for the provision of a new primary school; a waste recycling centre and contributions to the Gedling Access Road (GAR). Other contributions are for health provisions and the long term maintenance of natural green spaces. In addition, there are requirements for delivering 30% affordable housing units to the residential mix. Developers would not take on the cost of this unless they were confident that they could develop the whole site and recover these costs. The market levels to date have not been sufficient for developers to acquire the whole site with confidence of delivering a financially viable scheme. Hence, the Council has been in detailed dialogue with Homes England in order to address viability issues.
10. To this end the Council has been successful in securing grant funding of over £5.8 million (£5.8 m including £200k for project management) from the Homes England Local Authority Accelerated Construction (LAAC) fund. Written confirmation of the grant funding offer was received on the 3 June 2019. This will be to fund the infrastructure into the site on the condition that the pace of residential development will be higher than the normal rate and that the Council will fund any gap between the total cost of the infrastructure and the grant. This funding offer is essential to kick-start the site and allow control over the development of housing and open up the site for employment access.
11. ARC has been commissioned to commence pre planning application site investigations and to report on the full cost of providing the new access points and the services. ARC will subsequently oversee the delivery of the construction of the highway infrastructure and associated works. The socio-economic importance of the Top Wighay Farm Project to Nottinghamshire is recognised, and therefore, every opportunity will be taken to leverage and deliver local economic impact and social value for the benefit of the communities served by Nottinghamshire County Council. Within the project (through Arc Partnership) the social value will be embedded

throughout the procurement, commissioning and delivery of pre-construction, design and delivery solutions associated with the project, in line with the Public Services (Social Value) Act 2012.

12. The original bid to Homes England was submitted more than two years ago based upon infrastructure designs that originally gained planning permission from Gedling Borough Council in May 2009. This permission has lapsed and a new planning permission will be required. In addition to the construction costs, Arc have finalised the overall project feasibility with the inclusion of all ground investigation, site surveys, planning permission submission, and project management costs necessary to deliver both the construction of the highways infrastructure to access the site and also to achieve outline planning consent for the wider development of the site. The overall feasibility figure at this stage of the project is a Latest Estimated Cost of £10,238,000. For the purposes of the securing a capital budget allocation this figure has been rounded up to £10.3m.
13. On the basis of independent viability and technical assessments undertaken by Homes England, an offer of funding of £5.8m has been made in relation to Top Wighay. The level of funding being capped at the level based upon their own benefit cost ratio. As Homes England are only prepared to offer grant funding of £5.8m there will be a requirement for the Council to fund any additional upfront costs to deliver the infrastructure. It is a requirement of Homes England funding that the Council would need to commit to funding the additional elements from the Capital Programme.
14. The timescales for completing the infrastructure are fixed by Homes England as the end of March 2021. This timescale will be achievable if site investigations are commenced and consultants are instructed to start the planning application process immediately, subject to Members approving this report.
15. The new access points will not only provide the solution to kick starting residential development on the site, but it will open up access to the development of the local centre and the school. It will also enable the Council to develop its own office building within the employment land which will be a gateway into the site.
16. An assessment of the legal and financial risks associated with the acceptance of the grant has been undertaken and covered in greater detail in the Exempt appendix to this report. Overall, it is considered that these are small and outweighed by the benefit that such additional funding will provide in the delivery of the scheme. Policy Committee is therefore asked to approve the acceptance of this grant despite the funding agreement restrictions imposed.

Approvals Required

17. Policy Committee (17th October 2018) delegated authority to the Corporate Director, Place in consultation with the Chair of Policy Committee, the Service Director Finance, and the Group Manager of Legal, to agree the terms on which the Homes England funding is accepted for specific sites. While this delegation provides the Corporate Director with the authority to agree the terms of the funding agreement, further authorisation is required to approve a variation to the Capital Programme firstly to allow for the external funding of £5.8m to be added to the Programme and secondly to allocate the additional figure of up to £4.5m to contribute to the scheme costs.

18. The proposed capital funding of the £4.5m element will be subject to a bid to Corporate Asset Management Group for inclusion in the capital programme.
19. Policy Committee (20th March 2019) approved funding for the planning and design work for a new Council office building which will have the additional benefits of providing an anchor tenant on the County Council owned employment site within the wider development. This will significantly aid the marketing of the site and act as a catalyst for economic growth in the area, providing new jobs and new homes for local people. As a result, the development will generate additional revenue for the Council through Business Rates and Council Tax. Without the necessary access improvements to the site the new office will not be able to be constructed as it will not be accessible.
20. The total cost for accessing the site, including permissions, surveys etc. is estimated at £10.3m. It is proposed that Policy Committee allocate a working budget of up to £10.3m for the project. In order to draw down this resource, the project progress will be reported to the Finance and Major Contracts Management Committee at each gateway to secure approval to proceed and provide latest estimate costs to assure Members of best value for money.

Other Options Considered

21. As Top Wighay Farm has a planning designation for various forms of development, predominately residential, no other options for the site are being considered at the present time. Top Wighay Farm is identified in the Council's strategic land disposal programme with the opportunity for significant capital receipts over forthcoming years. If the scheme is not undertaken, then the housing numbers for the local plan will be jeopardised by 805 units. The Council's asset will not realise any benefit. The new proposed office will not be delivered. The Council's Policy objectives will not be realised.

Reason/s for Recommendation/s

22. To enable the sale of a surplus asset and to secure a capital receipt to the County Council and to provide much needed housing and employment for this location. In addition to provide access to land to enable the development of the proposed Council new office building.

Statutory and Policy Implications

23. 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.

RECOMMENDATION/S

1. To accept the proposed funding offer from Homes England for the Top Wighay site and to delegate authority to the Corporate Director, Place and the Group Manager, Legal, Democratic and Complaints to finalise the completion of the funding agreement.
2. To approve a variation to the capital programme of up to £10.3m, including £5.8m external funding from Homes England, to enable detailed design and construction of highway infrastructure and related works associated with the Top Wighay Farm project.

Councillor Mrs Kay Cutts MBE
Leader of the County Council

For any enquiries about this report please contact:

David Hughes, Service Director - Investment & Growth
Tel: 0115 9773825

Constitutional Comments (CEH 07/06/2019)

24. The recommendations fall within the remit of the Policy Committee under the scheme of delegation in the Constitution.

Financial Comments (GB 11/06/2019)

25. As set out in the report, the latest estimated cost of the project is £10.3m. The Council has been successful in securing a grant from Homes England which totals £5.8m. Further capital funding of £4.5m from Nottinghamshire County Council's capital programme will be the subject of a bid to the Corporate Asset Management Group. It is expected that this will be offset by a future capital receipt. The implication on the revenue budget associated with the cost of borrowing £4.5m (MRP and interest costs) is £360k per annum. This will reduce once the expected capital receipt is realised. There are a number of financial risks associated with this project including:

- The Council will be liable to fund any project overspend from its own resources.
- As set out in the exempt appendix, there is a risk that an element of the external funding could be clawed back if the terms and conditions of the grant are not met.
- There is a risk that the capital receipt for the development land is less than expected thereby increasing the cost to the Council.
- The timing and value of any disposal proceeds associated with the safeguarded land are uncertain.

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.

- Top Wighay Farm Development Brief Supplementary Planning Document, February 2017.

- Policy Committee (20 March 2019) report: Investing in Nottinghamshire: Delivering the Council Plan through a second phase of the Smarter Working Programme.

Electoral Division(s) and Member(s) Affected

- Electoral Division(s): Newstead
- Member(s): Councillor Chris Barnfather