

**19<sup>th</sup> September 2016**

**Agenda Item: 8**

## **REPORT OF CORPORATE DIRECTOR, PLACE**

### **GEDLING ACCESS ROAD – SCHEME UPDATE AND FUNDING AGREEMENTS**

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

1. To seek approval of Committee to grant delegated authority for the Corporate Director Place to authorise the Council entering into agreements with partners to secure funding in relation to the delivery of the Gedling Access Road and to negotiate and approve the final terms of the agreements as necessary.
2. Approve the acquisition of land from the Homes and Communities Agency as part of the Enabling Works funding agreement.

#### **Information and Advice**

3. This report contains exempt appendices, which are not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) (Information relating to any individual and the business affairs of a particular person (including the authority holding that information)). Disclosure of this information would prejudice the parties' commercial interests.
4. The County Council has been safeguarding proposals for a Gedling village bypass for over 50 years. This scheme forms part of proposals for the A612 Nottingham Eastern Outer Loop Road which has, with the exception of the eastern most section around Gedling village, been successfully completed by the County Council. The Gedling Access Road (GAR) will connect directly to the most recently constructed phase (the Gedling Major Integrated Transport Scheme) which opened to traffic in 2007.
5. The role of GAR is twofold. Primarily, GAR will enable the sustainable redevelopment of the former Gedling Colliery site for mixed-use purposes by providing safe and adequate access to the proposed residential, employment and community related uses proposed for the site. GAR will also provide a 'bypass' around Gedling, providing improved connectivity to the wider road network. In doing so, GAR will ease traffic congestion on other roads surrounding the former colliery site that at present are either at or nearing capacity.
6. Due to the limited availability of public funding the construction of GAR has not previously featured in any delivery programme. The current viability of the site does not allow the project to be wholly funded by either the private or public sector. However, the redevelopment of the Gedling Colliery site has provided a catalyst for delivering the project with a significant contribution being secured from the Homes and Communities

Agency through a Development Agreement for the Gedling Colliery site with Keepmoat who have been appointed as preferred developer.

7. The redevelopment of the Gedling Colliery site and adjoining land remains a priority for all the public sector partners including Gedling Borough Council (GBC), Homes and Communities Agency (HCA) and Nottinghamshire County Council (NCC). The supporting infrastructure requires the provision of an access road which also serves the dual purpose of completing a road around the eastern side of the conurbation of Nottingham. This priority is supported by the government with the announcement on 8<sup>th</sup> January 2015 that Gedling Housing Zone (comprising of the GAR, Gedling Colliery and Teal Close developments) was one of 10 housing zones outside of London selected to help provide thousands of new homes across the country. A key element of the Housing Zone status is priority access to expert planning and technical support from services run by the HCA. For the GAR it meant funding was obtained that enabled a detailed and up to date assessment of construction costs being undertaken that is reflected in this report.
8. A funding package has been assembled and this report seeks permission from the Committee to grant delegated authority to the Corporate Director - Place to vary an existing agreement on behalf of NCC and enter into two new agreements with partners. These agreement enable funding to be drawn down to deliver the GAR that collectively covers the cost of construction and land acquisition. Details of the agreements are included in this report.

## **Scheme Details**

9. The scheme as shown on drawing GAR/NCCL01 involves the construction of 3.8km of new single carriageway road that follows a southern route from a new junction with the B684 at Mapperley Plains, running parallel with the A6211 Arnold Lane, through the centre of the former Gedling Colliery site, to the east of which is the Gedling Country Park. From the former colliery site, the GAR would cross a number of fields, Glebe Farm and a section of the walled garden at Gedling House, which is a Grade II Listed Building, and a small section of the Carlton-le-Willows Academy grounds. The route would terminate at a new junction created with the A612 Trent Valley Way, Gedling.
10. The scheme will incorporate seven key junctions along its length to integrate the new road with the existing highway network and provide accesses to the proposed mixed-use development. These include:
  - Two new traffic signal controlled junctions including pedestrian crossing facilities at either end at junctions with the B684 Mapperley Plains Road and A612 Trent Valley Way that ties into Burton Road and Whitworth Drive;
  - A new 5-arm roundabout connecting GAR with Arnold Lane and the Gedling Colliery development site;
  - A new 4-arm roundabout connecting GAR with the Gedling Colliery development and future employment site;
  - Two new T-junctions providing links with the northern and southern sections of Lambley Lane with the GAR;
  - A new 3-arm mini-roundabout on Lambley Lane connecting the southern section of Lambley Lane to GAR, with the option of a fourth arm to serve potential development land immediately to the east of Lambley Lane.
11. In addition there is a requirement for a number of private access points off the GAR to serve land, property and drainage balancing ponds. A new 3.0m wide shared use

footway / cycleway will be provided along the entire length of GAR with signal controlled TOUCAN crossings located at key points to assist pedestrian and cycle crossing movements. There is also a requirement to divert an existing public footpath across the GAR.

12. The road will have a 40mph speed limit except for the section immediately adjacent the Gedling Colliery development which will have a lower 30mph limit, the route will also have street lighting along its entire length.
13. The HCA submitted a full planning application (ref. 2014/0915) to GBC on 1<sup>st</sup> August 2014 for the construction of the GAR. The HCA was also required to execute a Section 106 Unilateral Undertaking (UU) to secure planning obligations related to the planning application. The application was considered by GBC as Local Planning Authority and full planning permission granted for construction of the whole GAR on 23<sup>rd</sup> December 2014. A revision to the planning approval was approved in May 2016, removing the conditions associated with phasing.
14. The County Council will construct the GAR pursuant to this planning permission and will be responsible for the discharge of obligations within the UU. This was supported in a letter dated 14<sup>th</sup> December 2014 from the Chief Executive of NCC confirming that the requirements of the UU did not represent an obstacle to the County Council in progressing the construction of GAR.
15. The GAR will also be complemented by the proposals of Nottingham City Council for a series of bus based improvements along a 'southern growth corridor' linking Beeston and the Boots Enterprise Zone on the west of Nottingham to Gedling in the east, including additional bus services and proposed bus priority measures along the A612 through Colwick and Netherfield. The section 106 agreement for Gedling Colliery development include a £600 thousand commuted sum for bus service provision based on residential occupancy to ensure a suitable, affordable and sustainable service is provided to complement and link into the southern growth corridor.

## **Scheme Delivery**

16. Nottinghamshire County Council has the overall responsibility for land acquisition, design, procurement, construction and delivery of the GAR working in partnership with the HCA, GBC and Keepmoat. Via East Midlands on behalf of NCC, will be responsible for managing the land acquisition process and the design and project management of the road construction. All statutory procedures such as a Compulsory Purchase Orders (CPOs) and Side Road Orders (SROs) will be made by NCC as these powers are not delegated to Via East Midlands.
17. The total project cost is estimated at £40.899 million, split into £7 million for land and £33.899 million for design and construction of the GAR. The funding stream assembled is sufficient to deliver the project and are as follows:
  - HCA - £7.17 million
  - NCC Capital - £5.4 million
  - D2N2 - £10.8 million (outline business case approval obtained, full approval required)
  - Housing Developer (Keepmoat) - £17 million (including Community Infrastructure Levy (CIL) liabilities of £4.488 million)
  - Section 106 contributions - £0.529 million

18. It is intended that the scheme will be delivered in two concurrent contracts, one covering the highway interface works at the junctions onto the existing network and the main contract which is largely off-line undertaking earthworks and new road construction.
19. The main contract will be procured using the Medium Schemes Framework 2 (catering for schemes up to £25 million in value) provided through the Midlands Highway Alliance, which Nottinghamshire County Council is part of. Using this existing framework will reduce any procurement delays and also enable a significant period of Early Contract Involvement (ECI) to fix a target price, carry out value engineering and assist in the management of risk. Based on cost estimates at a 2016 base rate the contract value would be approximately £21.6 million excluding service diversion works.
20. Delivery of the highway interface works by Via East Midlands will enable the overall contract period to be reduced by undertaking multiple contracts simultaneously and utilise the expertise from the joint venture. Similarly, the procurement route enables the design and construction teams to work closely to determine efficient methods of construction and costs savings. Based on cost estimates at a 2016 base rate the contract value would be approximately £4.8 million excluding service diversion works.
21. The indicative timetable for the next key steps is set out below. These are challenging targets and subject to agreements being completed, statutory procedures and funding:
  - County Approvals
    - Finance and Property (19<sup>th</sup> September 2016)– Approvals of Legal Reports for Funding Agreements for Land (£7m), Developer (£17m) and passporting of CIL monies from GBC to NCC
    - Transport and Highways (21<sup>st</sup> September 2016) – Approval in principle to make CPO and issue CPO notices
    - Transport and Highways (17<sup>th</sup> November 2016) – Approve final order, statement of reasons, notices and plans for CPO
  - CPO Process
    - Preparation of the Order – ongoing until October 2016
    - Making of the Order – November 2016
    - Notification and Publicity of the CPO – November / December 2016
    - Objections – January 2017
    - Public Inquiry (usually 4 to 6 months after making of CPO if required) – earliest May 2017 (indicative as will be dependant on allocation of an Inspector)
    - CPO confirmed by Secretary of State – June 2017 (indicative)
  - D2N2 Funding – Full Business Case (FBC)
    - Preparation and Submission of FBC – September to December 2016
    - FBC Conditional Approval – March 2017
    - FBC Unconditional Approval – August 2017
  - Design and Procurement
    - Contractor selection from framework for Early Contractor Involvement – September to November 2016
    - Design complete, Target cost negotiation and contracts – June 2017 to August 2017
  - GAR onsite (main contract works) – September 2017
  - GAR complete – March 2019

## Scheme Costs

22. Housing Zone funding has been used to develop construction costs to inform the funding agreements and ensure the viability of the project. The costs were reviewed by specialist consultant Turner and Townsend who were appointed through the HCA's consultancy framework. The review used the latest design information and liaison with officers at NCC undertaking the design and also included contractor input. A cost summary for the design and construction of the whole road is detailed in table 1. The pricing detail undertaken by the consultant splits the works into distinct phases to ensure that the project can be delivered in accordance with the proposed delivery routes summarised in this report.
23. The costs produced includes a contingency set at 5%, inflation is based on current BCIS (Building Cost Information Service) All In Tender Prices assuming a main contract start date of October 2017 and a base rate of Quarter 1 2016. It should be noted that these costs have been developed using the best information available at the time of review. As the project moves towards construction and a delivery partner is employed there will be further iteration of these which in turn will generate an agreed target cost for the delivery of GAR.

**Table 1: Scheme Costs**

<b>Costs (millions)</b>	<b>Comments</b>
£26.427	Construction costs (2016 prices)
£1.581	Diversion works to services during main construction works
£0.273	Diversion works to services outside of main construction works (including diversion of gas services already done on Arnold Lane)
<b>£28.281</b>	<b>Construction Total</b>
£1.755	Inflation (assumed 7.35%) – based on current BCIS All In Tender Prices
£0.061	Advanced Works
£1.273	Contingencies (5%) on construction costs and services during construction
£0.478	Testing (2%) including ground investigation works
£2.051	Design, Project Management and Site Supervision
<b>£33.899</b>	<b>Design and Construction Total</b>
£7.000	Land Acquisition, Compulsory Purchase Order and costs relating to Unilateral Undertaking
<b>£40.899</b>	<b>TOTAL PROJECT COSTS</b>

## Funding Profiles and Agreements

24. A total funding package has been assembled totalling £40.899 million from a number of different sources and this is summarised in table 2. In order to deliver the road and to

ensure that funding is secured a number of funding agreements are required between NCC and key partners, these are:

- Variation to the Enabling Works agreement with the HCA;
- Payment and Escrow Account with the HCA and the developer (Keepmoat);
- Deed of Agreement for CIL Funding with GBC.

25. There are other funding streams supporting the delivery of the GAR, these are covered by agreements currently in place (Teal Close section 106) or subject to separate processes such as the Local Assurance Framework procedure for the D2N2 funding. Each of the agreements required will seek to protect NCC from significant risk through preconditions needing to be met linked to planning, statutory procedures, timescales and funding. No contracts will be entered into to build the GAR unless all pre-requisites are met and its delivery is viable. There is also potential that a Public Inquiry may be required in respect of acquisition pursuant to the CPO. If this is the case then timescales and associated funding implications will be reviewed.
26. The funding agreements are currently being negotiated between HCA, NCC, GBC and Keepmoat. The completion and execution of these are required prior to making of a Compulsory Purchase Order (CPO) to demonstrate that funding is in place. It is intended that the CPO will be made in November 2016, and final drafting will therefore need to be completed and agreements signed in accordance with the recommendations in this report before then. The timeline of the project remains a very challenging one and all partner agencies have much to do to take the project forward and deliver all its objectives.
27. Certain aspects of information relevant 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 it is considered that on balance the public interest in disclosing the information does not outweigh the significant damage to the Council's commercial position which would arise from divulging this information. This information is set out in the exempt appendix to this report.

**Table 2: Funding Streams**

<b>Value (millions)</b>	<b>Funding Source</b>	<b>Comments</b>
£7.000	HCA	Grant Funding - Enabling Works agreement
£0.170	HCA	Grant Funding – Phase 1 Works
£5.400	NCC	County Capital
£10.800	D2N2	Maximum amount, Outline Business Case Approval obtained
£0.436	Teal Close – s106	S106 agreed when outline planning granted, reserved matters application due for submission
£0.093	Gedling Colliery – s106	S106 being finalised, completion expected Sept 2016.
£17.000 (split as detailed below)	Keepmoat and GBC	Keepmoat are the current developer and under terms of the agreement fund up to £17,000,000 towards the GAR. This includes payments of CIL liabilities.
£12.512	Keepmoat	

£1.225	GBC	CIL Phase 1a Liability
£0.923	GBC	CIL Phase 1b Liability
£2.340	GBC	CIL Phase 2 Liability
<b>£40.899</b>	<b>TOTAL</b>	

## **D2N2**

28. At its board meeting of July 22<sup>nd</sup> 2013 the D2N2 Local Transport Body (LTB) agreed to allocate £10.8 million towards the cost of the GAR from the £31.2 million available to it for that period. The GAR is one of only six schemes supported by the LTB Board across the D2N2 area and is the largest single scheme it is supporting representing 35% of the allocation. Currently NCC is forecasting the funding allocation to be spent in the 2017/18 and 2018/19 financial years. The allocation is subject to LTB gateway progression in accordance with the Local Assurance Framework.
29. The Outline Business Case was submitted to the D2N2 on the 6<sup>th</sup> July 2015 and approval given on 18<sup>th</sup> May 2016 with technical feedback provided. Using this information the scope of the FBC Submission is now agreed and data will be supplied for assessment, before formal submission later this year. The County Council will be seeking conditional FBC Approval early 2017, which is intended will become unconditional based on confirmation that all land has been acquired either by negotiation or through confirmation of a CPO. This would then facilitate the drawdown of funding.

## **Nottinghamshire County Council - £5.4 million**

30. At its Full Council meeting in February 2014 NCC resolved to incorporate funding of £5.4 million into its capital programme to support GAR split 50:50 into the 2017/18 and 2018/19 financial years. Currently part of this funding is being brought forward to facilitate detailed design, procurement and site investigation works which will enable the road to be delivered subject to the completion of statutory processes. This is reflected in the 2016/17 budget book with allocations of £100,000 in 15/16, £250,000 in 2016/17, £2.350 million in 2017/18 and remaining value of £2.7 million in 2018/19. Changes to this profile will be included in capital budget monitoring reports brought to Finance and Property Committee and reviewed annually as part of the budget review.

## **Homes and Communities Agency – Grant Funding (Phase 1 Works)**

31. At the Finance and Property Committee meeting of 24<sup>th</sup> March 2014 approval a resolution was passed to give delegated authority to the Corporate Director Environment and Resources to enter into agreements and approve final terms as necessary with the HCA to secure funding for the GAR.
32. One of these agreements related to the early construction of a roundabout forming a junction between Arnold Lane (A6211) and the development site. The funding agreement had a maximum funding allocation of £1.9 million funded using Public Land Infrastructure Funding (PLIF) obtained by the HCA that would be repaid by the developer.
33. Due to timing of planning for the road and the development, phasing conditions were seen as impeding the progress of the project and a revision to the planning approval was approved in May 2016, removing the conditions associated with phasing. This meant that phase 1 was not required as a discrete and separate piece of work and could be incorporated into the main contract. However, opportunities were taken to utilise

approximately £170,000 of this funding (which was received by NCC) to undertake gas diversion works on Arnold Lane and site clearance works. This work has been completed and these costs have been included in both the scheme estimates and income for the construction work.

#### **Homes and Communities Agency – Grant Funding (Enabling Works)**

34. This agreement relates to the acquisition of required land along the route of GAR and is the second agreement that the County Council entered into with the HCA as a result of the approval given at the Committee meeting on the 24<sup>th</sup> March 2014. It now requires variation as a result of the change to funding drawdown mechanisms with the HCA, the timings of the works and to reflect the planning permission granted including the requirements under the Unilateral Undertaking. The latest draft of the agreement is included in the exempt appendix and all key heads of terms are agreed. Outstanding points with the agreement relate to updating schedules and plans.
35. The funding agreement is a maximum capped value of £7 million from the HCA. Work has previously been undertaken to validate land acquisition costs and whilst these are subject to potentially fluctuating land values it is considered that this element of work can be delivered within the funding available. More recent work has been undertaken by the District Valuer, this is being currently being reviewed and will be included in the final funding agreement.

#### **Community Infrastructure Levy – Gedling Borough Council**

36. The Community Infrastructure Levy (CIL) is a method for collecting financial contributions from developers towards the provision of infrastructure needed as a result of development. The liability for CIL on each phase occurs on the grant of the related planning permission that first permits the proposed development such as the granting of full planning, change of use or approval of the last reserved matter on the grant of outline planning. Payment for each phase is made following commencement of the phase either in accordance with any instalments policy or otherwise within 60 days of commencement. A revised charging schedule was issued by GBC after consultation following the Community Infrastructure Levy (Amendment) Regulations 2014 coming into force and a review of housing supply in the Aligned Core Strategy. The revised charging schedule set out where CIL would be levied and how much will be charged, it also included the Regulation 123 list.
37. The Regulation 123 list provides for contributions from CIL received by GBC to be allocated to the Gedling Access Road, Gedling Colliery Country Park visitors centre and secondary school contributions at Gedling Colliery and Top Wighay Farm.
38. Due to the phased development and type of planning application submitted the Gedling Colliery site will generate CIL liabilities on phases 1a, 1b and 2 of the development as described in paragraph 43. As some of the phases are in the future CIL liabilities are index linked and the final value unknown. However, to obtain certainty for the GAR then the values within the funding agreements have been agreed to cap the value of CIL liabilities that will be paid from the Escrow account funded by the developer, Keepmoat. Any CIL required to be paid by the developer above the capped amount will be the responsibility of the developer. The Escrow account is managed by the developer's legal team and funding is available for NCC to drawdown once contracts for the GAR and other pre-requisites have been met.



39. The value of £4.448 million is the capped CIL figure for the purposes of the funding agreements. This contribution will be required from CIL receipts together with other funding streams to deliver the construction of the road. The funding agreement is currently in negotiation between NCC and GBC that will facilitate the payment of CIL from GBC to NCC for infrastructure and costs directly incurred on the construction of the GAR. The GBC CIL contributions are subject to Full Council approval at a forthcoming meeting.
40. The CIL liability for Phase 1a is likely to be payable by the developer to GBC prior to construction of the GAR. The CIL monies can be used towards the construction of the GAR. The funding agreement will facilitate NCC drawing down this funding when required.
41. Under the terms of the Escrow account, NCC can drawdown the full amount of funding available including that allocated for future CIL liabilities. If funding utilised for the GAR includes future CIL liability then NCC are required to repay this funding back into the Escrow Account for the developer to pay the CIL liability when it is required. The CIL regulations allow GBC to utilise CIL receipts to pay for infrastructure already built. Under the terms of this agreement the funding paid back into the Escrow account that was spent on the GAR could then be recovered by NCC from GBC through CIL, as expenditure would have been incurred on its construction.
42. In the event of the GAR being delivered for less than the estimated costs then the contribution from CIL towards the GAR will be less resulting in the remaining funding being utilised for other priorities on the Regulation 123 list including secondary school provision. Allocation of the CIL contributions to the GAR are subject to GBC member approval which is due to go to full council in November 2016 and the latest draft of the agreement is included in the exempt appendix.

### **Keepmoat Funding**

43. The HCA owns the former Chase Farm / Colliery site and has acquired the adjacent Nottingham City Council land to the east of the site, comprising agricultural land to create a development site of 32 ha (79 acres) with Keepmoat appointed to develop a residential led, mixed-use phased development of 1,050 dwellings with associated infrastructure in a new urban development.
44. The residential development will be delivered in three phases. Keepmoat submitted a full planning application (with the first two phases applied for in detail and the third phase in outline only) that GBC planning committee resolved to grant planning permission in May 2016 subject to completion of a Section 106 agreement. This is close to agreement and the target date for completion is the end of September. The planning permission will be issued following its completion. The delivery of a first phase (1a) includes 315 dwellings and it is intended this will start on site in 2016. This is the maximum number of dwellings that can be constructed without the GAR being in place. The second phase (1b) will take the number of dwellings up to 506. The final phase (2) has outline permission and requires additional planning approvals through reserved matters and will see the site completed with 1,050 dwellings and associated facilities in place.
45. The site disposal will be via a phased drawdown as set out in an Agreement for Lease document between the HCA and Keepmoat. Under the development agreement, Keepmoat pay £17 million towards the delivery of the GAR. This payment will be made

in instalments into the Escrow account and will be paid in full by the end of 2019 which is largely in advance of development. Any residual land value will only be paid to the HCA on completion of the whole scheme.

46. The value of £17 million includes a maximum value of CIL liability for the three phases estimated at £4,448,120 (to take into account indexation). Any additional CIL liability over and above this value will be dealt with outside of the Escrow account and is not the responsibility of NCC. In addition the developer also has to fund the section 106 agreement, details of which are currently being finalised with contributions totalling almost £5.1 million. The section 106 agreement covers a range of items but those specific to the County Council include land and a £3.6 million contribution towards a new primary school plus contributions to public health, libraries, public transport and sustainable transport.
47. It is likely that due to timings of the developments the CIL liability for Phase 1a (£1,225,715) will be paid by the developer to GBC prior to contracts being in place to deliver the GAR. Repayment of these Phase 1a monies back to NCC by GBC is covered in a separate agreement to be entered into between the two authorities.
48. The value paid into the Escrow account will therefore be £15,774,285 which includes the developers Phases 1b and 2 CIL liabilities and the agreement enables NCC to drawdown the full amount if required for construction. If all the funding is utilised by NCC from the Escrow account the County Council will be required to pay back the Phase 1b and 2 CIL monies utilised into the Escrow account when the liability notices for those CIL monies are issued in the future. This enables the developer to meet its CIL liabilities out of its money reserved in the Escrow account for payment of the CIL. The repayment of these Phase 1b and 2 CIL monies back to NCC is covered in the proposed agreement with GBC.
49. The latest draft of the Payment and Escrow Agreement is included in the Exempt Appendix. Parties to the agreement would include the HCA, NCC, Keepmoat Homes Limited, Gowling WLG (UK) LLP and Keepmoat Limited.
50. **Teal Close – section 106**

This site is not subject to CIL as planning permission was granted before GBC adopted its CIL charging schedule. However, the section 106 agreement includes a contribution of £436,000 towards the construction of the GAR. The site currently has outline planning permission and reserved matters are due to be submitted by the developer and once these are approved would enable funding to be obtained subject to contracts being in place to deliver the GAR.

## **Land Acquisitions through Enabling Works Agreement**

51. The Enabling Works agreement between the HCA and NCC enables funding to be drawn down for land, costs associated with a Compulsory Purchase Order and the Unilateral Undertaking.
52. In addition it also details the transfer of land owned by the HCA to NCC that is required to deliver the road and meet obligations under the Unilateral Undertaking. The land is shown on the enclosed plan GAR/NCCL02. The transfer of land will take place on confirmation of the CPO and the enabling works agreements includes access to land

under licence to carry out works if required, subject to submission of method statements and risk assessments.

53. The land transferred from the HCA to NCC for the GAR will either be:
- Dedicated as public highway;
  - Retained in NCC ownership as part of any environmental and ecological mitigation measures;
  - Transferred to third parties as a result of the requirement under the Unilateral Undertaking; and
  - Any residual land will then be disposed of in accordance with the terms set-out in the funding agreement included in the exempt appendix.

## **Other Options Considered**

54. The options considered that can be split into the alignment / route details of the GAR and finance / legal agreements.
55. There have been numerous options surrounding the alignment and route details which have been considered through the design and planning process. A collaborative approach has been taken to the project and key partners have met regularly throughout the planning process and this has been formalised into revised governance arrangements for the Gedling Housing Zone delivery.
56. Through the planning process Statutory Consultees were also contacted in the course of undertaking the Environmental Impact Assessment and as part of the pre-application process and feedback has been disseminated. Their comments and requirements have been addressed and incorporated in the EIA and planning application process. The consultation strategy for the planning application included public exhibitions in order to enable as many local people as possible to view the plans and to have an opportunity to make comments and to discuss any concerns with members of the team. The target area covered over 10,000 properties and three consultation events were held in the local area. The current proposals represent the best solution to meet the complex requirements and parameters surrounding the project.
57. The detail in each legal agreement has been through various iterations as a result of ongoing negotiations and is designed to reflect the interdependencies between the projects and meet the needs of all parties, whilst meeting all relevant financial and legal requirements. For NCC this has been done to protect the authority and minimise risk through pre-requisites that have to be met and link with key milestones to provide project assurance as the project develops.

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

58. To enable a key strategic development site to be realised and unlock much needed development land. The Gedling Colliery site is identified as an area of future housing development in the Aligned Core Strategy (ACS), as it is a key strategic site on the urban edge of Nottingham and viewed as a priority for Gedling Borough Council. The site has a status of strategic location and will be allocated through part 2 Local Plans as set out in Policy 2. Policy 7 of the ACS recognises the regeneration benefits arising from the Gedling Colliery site, which offers the opportunity for the redevelopment and reuse of brownfield land to create a new sustainable neighbourhood. Policy 15 of the ACS lists the Gedling Access Road as a scheme which remains important to the delivery of the

Core Strategy. The financial package assembled resolves the funding requirements for the delivery of the GAR that would unlock the full development site.

59. The delivery of GAR will also complete the long awaited bypass of Gedling village and provide strategic transport objectives in keeping with the Nottinghamshire Local Transport Plan

## **Statutory and Policy Implications**

60. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Finance Implications**

61. The delivery of both the GAR and Gedling Colliery development are linked as a result of the complex funding arrangements.
62. Based on current scheme estimates and review work undertaken the scheme is deliverable with sufficient funding streams to cover anticipated costs. Under terms of the grant funding agreements including the full business case submission to D2N2 the County Council, will also need to accept responsibility for meeting any costs over and above the current contributions through the D2N2, CIL and from the developer. This is the current view and understanding from partners. Details of the risk of a shortfall and the need to be underwritten by the County Council were also included and approved in the Finance and Property Committee meeting on 24<sup>th</sup> March 2014.
63. By utilising the procurement methods identified an opportunity is provided for the project team to engage and work collaboratively with a preferred contractor to carry out value engineering and fix a target price. If the target price is less than current estimates then it reduces the risk of costs being incurred above the current contributions. In the case of the target cost being above current scheme estimates then through the robust project governance arrangements this information would be taken to partners to seek additional contributions and a subsequent report brought to the appropriate committee to advise on the next steps required to deliver the project.
64. Under the terms of the Escrow Account, NCC can drawdown the full value of funds available if required. This will require NCC to include provision in future year's budgets of £0.922 million in 2023 and £2.34 million in 2026 to facilitate repayment into the Escrow Account. This will be balanced by an income in the same financial years from GBC under the terms of the CIL funding agreement between the two authorities.
65. The Payment and Escrow Account and Deed of Agreement between NCC and GBC related to CIL payments only become active and funding eligible to be withdrawn once contracts are in place to deliver the road. Contracts to deliver GAR also require all necessary permanent and temporary access rights to land either through negotiation or via confirmation of the CPO. Before the Secretary of State can confirm any CPO required, they must first be satisfied that the scheme is fully funded.

66. Costs will be updated as target prices are agreed with Contractors that enables further validation to be undertaken to demonstrate that the scheme offers value for money and is viable.

## **RECOMMENDATION/S**

It is **RECOMMENDED** that Committee:

- 1) Committee to approve that the final terms of the variation to the current funding agreement between the HCA and NCC to secure funding for land and property acquisition required to construct the Gedling Access Road is delegated to the Corporate Director, Place in consultation with both the Chair (or Vice-Chair) of Finance and Property Committee and the Chair (or Vice-Chair) of Transport and Highways Committee to approve the final terms of the funding agreement once agreed with the HCA.
- 2) Committee to approve that the final terms of the Payment and Escrow Account agreement between the HCA, NCC Keepmoat Homes Limited, Gowling WLG (UK) LLP and Keepmoat Limited to secure funding for the construction of the Gedling Access Road is delegated to the Corporate Director, Place in consultation with both the Chair (or Vice-Chair) of Finance and Property Committee and the Chair (or Vice-Chair) of Transport and Highways Committee to approve the final terms of the funding agreement once agreed with all parties.
- 3) Committee to approve that the final terms of the agreement between GBC and NCC to secure funding from CIL for the construction of the Gedling Access Road is delegated to the Corporate Director, Place in consultation with both the Chair (or Vice-Chair) of Finance and Property Committee and the Chair (or Vice-Chair) of Transport and Highways Committee to approve the final terms of the funding agreement once agreed with GBC following approvals by members at GBC.
- 4) Note the current position in relation to the funding streams not requiring additional approvals by Finance & Property Committee including the proposed full business case submission to D2N2, NCC county capital funding and contributions from section 106 agreements.
- 5) Approve the acquisition of land included in the Enabling Works agreement as shown on the enclosed plan GAR/NCCL01 between the HCA and NCC required for the delivery of the GAR.

**Tim Gregory**  
**Corporate Director – Place**

**For any enquiries about this report please contact: Mike Barnett 0115 977 3118**

### **Constitutional Comments (RHC/08/09/2016)**

66. The recommendations fall within the remit of the Finance and Property Committee by virtue of their terms of reference.

## **Financial Comments (GB/08/09/2016)**

67. The financial implications are set out in paragraph 61 – 66 of this 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.

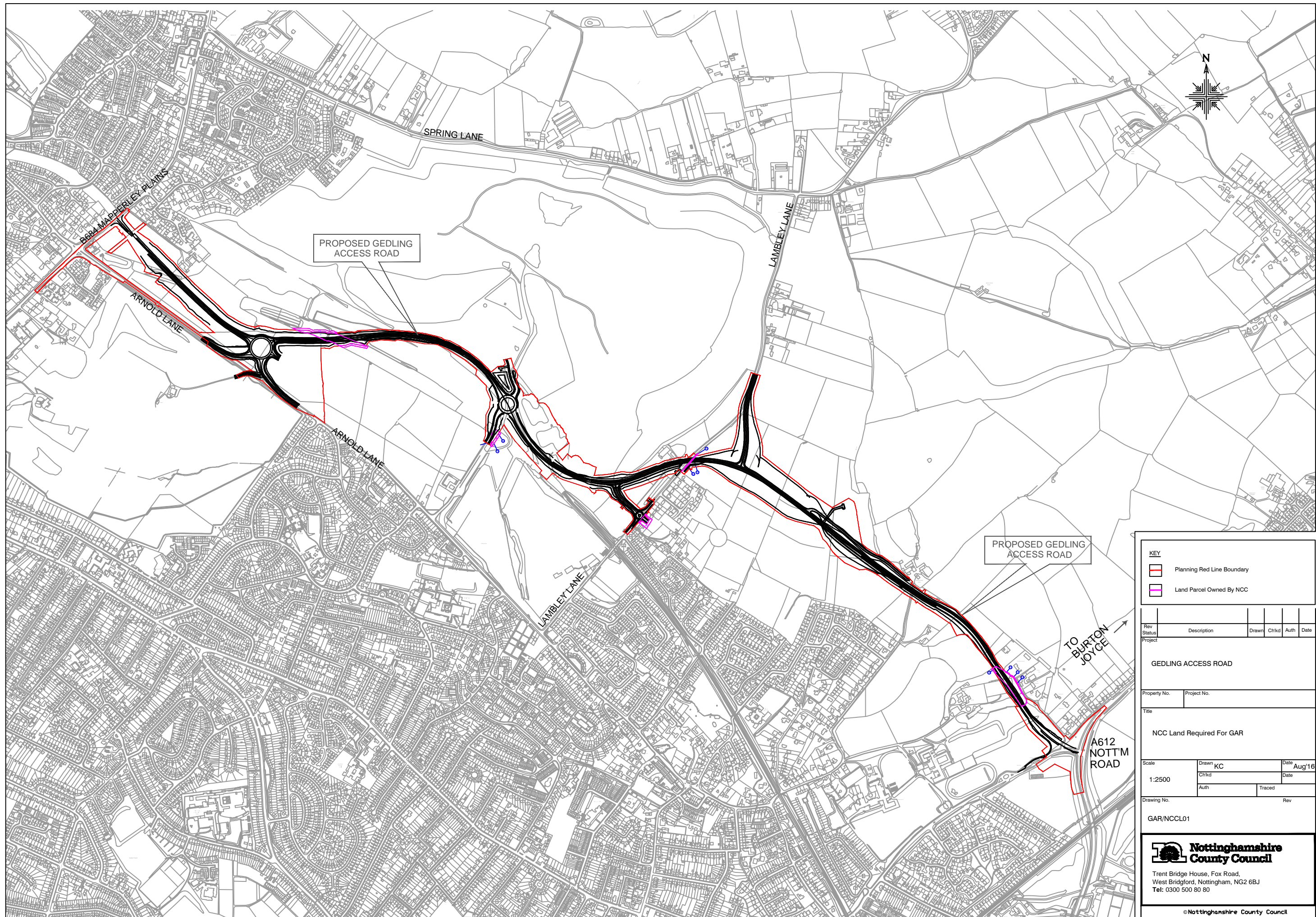
- Finance and Property Committee Report dated 24<sup>th</sup> March 2014  
Gedling Access Road, Scheme Development and Funding Agreements
- Report to County Council dated 27<sup>th</sup> February 2014  
Capital Programme 2014/15 to 2017/18
- Greater Nottingham (Broxtowe Borough, Gedling Borough, Nottingham City) – Aligned Core Strategies Part 1 Local Plan – Adopted September 2014
- D2N2 Local Growth Fund – Local Assurance Framework – Available at:  
[http://www.d2n2lep.org/write/Local\\_Assurance\\_Framework\\_final\\_version.pdf](http://www.d2n2lep.org/write/Local_Assurance_Framework_final_version.pdf)

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

Arnold North  
Arnold South  
Carlton East  
Carlton West  
Calverton

Councillors Pauline Allan and Michael Payne  
Councillors Roy Allan and Muriel Weisz  
Councillors Nikki Brooks and John Clarke  
Councillors Darrell Pulk and Jim Creamer  
Councillor Boyd Elliott





PROPOSED GEDLING ACCESS ROAD

PROPOSED GEDLING ACCESS ROAD

**KEY**

- Planning Red Line Boundary
- Land Parcel Owned By NCC

Rev	Status	Description	Drawn	Chk'd	Auth	Date

Project						
GEDLING ACCESS ROAD						

Property No.	Project No.
--------------	-------------

Title	NCC Land Required For GAR
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Scale	1:2500	Drawn	KC	Date	Aug'16
		Chk'd		Date	
		Auth		Traced	

Drawing No.	GAR/NCCL01	Rev	
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**Nottinghamshire County Council**

Trent Bridge House, Fox Road,  
West Bridgford, Nottingham, NG2 6BU  
Tel: 0300 500 80 80

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TO BURTON JOYCE

A612 NOTT'M ROAD

B68 MAPPERLEY PLAINS

ARNOLD LANE

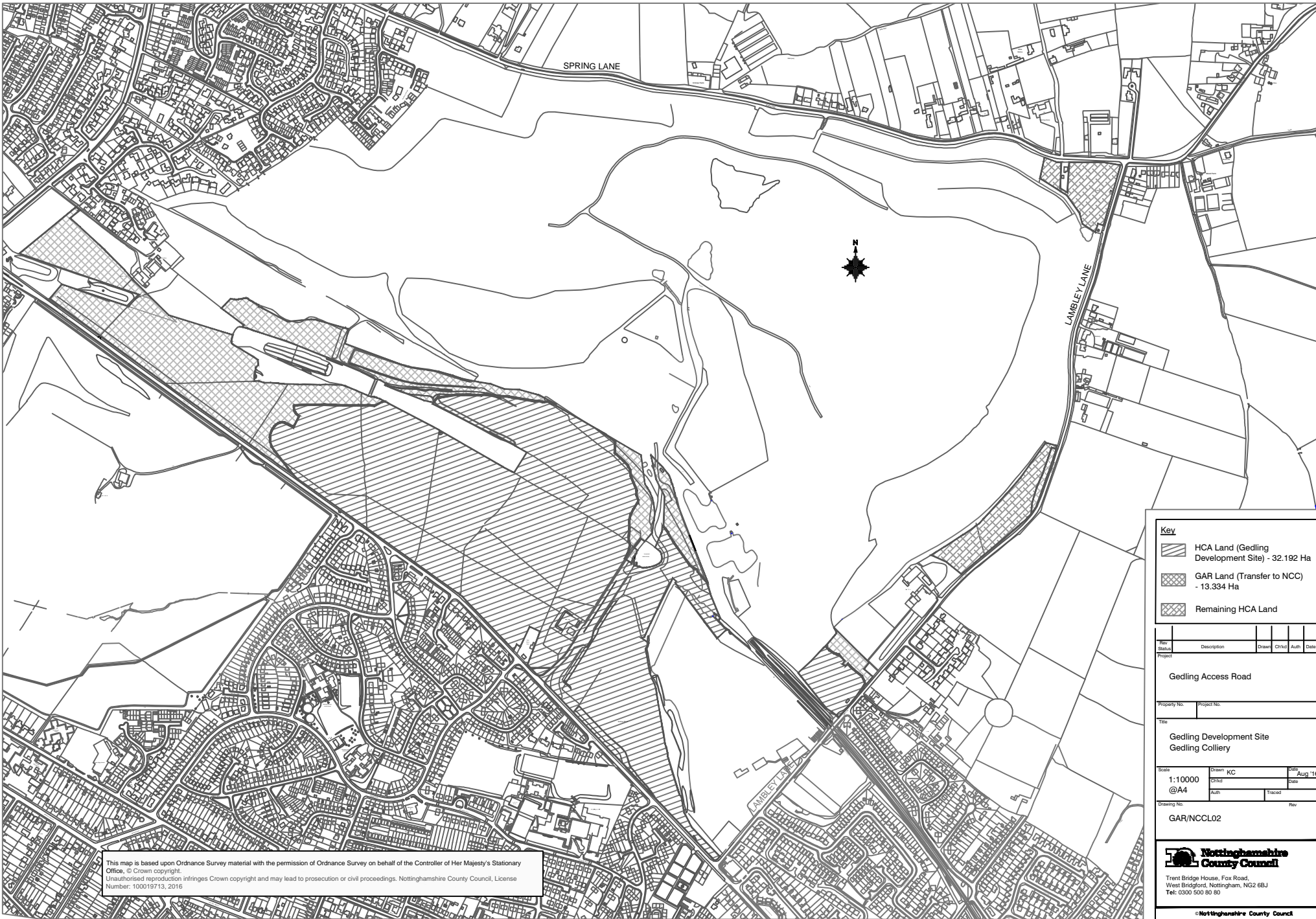
ARNOLD LANE

LAMBLEY LANE

LAMBLEY LANE

SPRING LANE





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**Key**

	HCA Land (Gedling Development Site) - 32.192 Ha
	GAR Land (Transfer to NCC) - 13.334 Ha
	Remaining HCA Land

Rev	Description	Drawn	Chk'd	Auth	Date

Project: **Gedling Access Road**

Property No.      Project No.

Title: **Gedling Development Site  
Gedling Colliery**

Scale:	Drawn:	Chk'd:	Auth:	Date:
1:10000	KC			Aug 16
@A4				

Drawing No.: **GAR/NCCL02**

**Nottinghamshire County Council**  
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