

## **HIGH PEAK BOROUGH COUNCIL**

### **Economy and Growth Select Committee**

**29 July 2020**

<b>TITLE:</b>	<b>Roundabout Update</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Councillor Damien Greenhalgh - Deputy Leader &amp; Executive Councillor for Regeneration, Tourism and Leisure</b>
<b>CONTACT OFFICER:</b>	<b>Sarah Porru – Head of Regeneration</b>
<b>WARDS INVOLVED:</b>	<b>Barms and Stone Bench Wards</b>

#### **1. Reason for the Report**

- 1.1 To provide members with an overview and update on progress in delivering the Homes England Housing Infrastructure Fund Project (Fairfield Roundabout)

#### **2. Recommendation**

- 2.1 Members are requested to note the project update and the next steps proposed in order to progress the England Housing Infrastructure Fund Project (Fairfield Roundabout)

#### **3. Executive Summary**

- 3.1 An IED report was presented to the Executive in June 2020, providing an update of project progress and requesting authorisation for the appointment of consultants to provide commercial development expertise for delivery of the Housing Infrastructure Fund supported work at Fairfield (subject to confirmation of costs being met by Homes England).
- 3.2 Since this time, the following actions have been progressed;
- 3.2.1 The application for golf course mitigation works was approved by the HPBC Development Control Committee at their meeting on 29th June. The planning application for the roundabout was approved by DCC on 6th July.
- 3.2.2 DCC is currently undertaking advance design works for the

roundabout, to help determine a more accurate estimate of construction costs. This should be available in July.

3.2.3 A letter has been sent to Homes England to request a review of the Housing Infrastructure Fund (HIF) Grant Funding Agreement (GFA). The Council has suggested some changes based on advice received from Freeths (commissioned legal advisers). The letter to HE also requests a review of the project timetable in light of COVID-19 and seeks additional grant funding. This capacity support is required to enable the Council procure development consultancy expertise to help resolve the key issues identified above.

3.2.4 In addition, the Council has requested revising the HIF programme to include the HE Local Authority Accelerated Construction (LAAC) funded project for delivering Granby Road B. Should HE agree, it is expected that LAAC funding of around £385,000 would be added to the HIF

3.3 It is proposed to bring a further report to Members for their consideration in August/September. The purpose of the report will be to present a project review, to consider progress on the issues of HE grant funding and the updated costs of the roundabout, with an assessment of whether remaining risks are within an acceptable tolerance that will enable the project to continue.

## 5. **How this report links to Corporate Priorities**

5.1 The accelerated housing delivery programme contributes to the following aims of the Corporate Plan 2019 – 2023:

- Aim 2: A responsive, smart, financially resilient and forward thinking council.
- Aim 3: Protect and create jobs by supporting economic growth, development and regeneration.

## 5. **Alternative Options**

5.1 There are no options to consider at this stage

Neil Rodgers  
**Executive Director (Place)**

### **Web Links and Background Papers**

June 2020 Executive IED Accelerated Housing Delivery Programme update (Housing Infrastructure Fund and Local Authority Accelerated Construction)  
Feb 2020 Executive report HIF project draw down and risks

### **Contact details**

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Aug 2019 Executive report HIF update report and approval to accept HE grant  
April 2018 Executive report AHDP update  
Sept 2016 Executive report AHDP approval

## **6. Detail**

- 6.1 Homes England (HE) has made a grant award to the Council of £2m towards the construction of the Fairfield roundabout and link roads. Delivery of this infrastructure will unlock sites allocated in the Local Plan at Hogshaw, Waterswallows and Granby Road, helping to bring forward around 570 new homes. The construction of the roundabout and link roads is key to securing housing delivery on all sites in the North Buxton cluster.
- 6.2 The HE Grant Funding Agreement (GFA) has been subject to lengthy discussions between the Council and HE and was signed by both parties in December 2019. Approval to sign the GFA was made by the Executive at its meeting on the 15th August 2019.
- 6.3 The GFA includes pre-draw down conditions that must be met before the Council is able to access funding and progress the project. Whilst some of these conditions have been satisfied, a number remain outstanding, with varying levels of risk associated. The Executive considered the pre-draw down conditions in full, with risk level and proposed mitigation measures, at its meeting in February 2020.
- 6.4 The cost of the roundabout is yet to be finalised but is anticipated to be in the region of around £2.5m. Approval to appoint a suitable contractor will be subject to a further report later in the project programme. It is anticipated that the procurement process will be undertaken between December 2020 – March 2021.
- 6.5 In order to discharge the remaining pre-draw down conditions, the Council is working with Derbyshire County Council (DCC) and the owners of third party land to ensure that housing and infrastructure outputs specified in the GFA can be delivered. However, there are a number of complex issues to resolve and the Council requires professional expertise to assist with preparation of a construction management programme including critical path analysis, the negotiation of land disposal and financial contributions, and the preparation of instructions for associated legal agreements.

## **7. Next Steps**

- 7.1. The golf course lease needs to be revised to return to the Council land required for the spur roads. Legal consultancy is required to support this.
- 7.2 Approval is required for the disposal of the Council's land at Hogshaws and at Waterswallows.

- 7.3 To enable control of the land necessary at Waterswallows, GB Energy are still seeking an option on land held by the beneficiaries of the late John Heywood.
- 7.4 The current pre-draw down conditions are onerous and require some investment by the Council to satisfy them. Homes England is prepared to advance grant payment to assist, but this would be clawed back if the project did not go ahead. Agreements between land promoters/developers and the Council will need to be structured to allow the cost of infrastructure, and any risk of cost over-runs, to be shared appropriately across all parties. Consultancy support is required to support negotiations. Awaiting confirmation of costs of consultancy being met by Homes England.
- 7.5 DCC is currently undertaking the advance design works for the roundabout. This includes a number of ground condition surveys and detailed discussion with utility companies. The results of these advance works will enable a more accurate construction cost for the roundabout to be determined. DCC hopes to have a detailed cost plan in place by end July.
8. Delivery of the planned housing supply produces a number of economic benefits to the Council as follows;
- Council tax gain (Borough Council element) - £ 111,316 per year
  - Annual spend - £5,226,985 per year
  - Direct jobs created - 607 (construction and supply chain)
  - Indirect jobs – 81 (shops and services)
  - Affordable units – 92 units
  - New Homes bonus - currently £1,670 pa for 4 years for each property (£2,020 pa for each affordable unit). However, the NHB scheme is likely to end in its current format on 31st March 2021, Government are currently considering a replacement scheme.

## 9. Current Timetable

Milestone	Timetable
Accept HE grant award	Dec 2019
Submission of planning application	Jan 2020
Planning decision – roundabout	July 2020
Planning decision Golf Club	July 2020
Advance Design	July 2020
Project and costs review	September 2020
Detailed drawings for tender	Aug 2020 – Dec 2020
Procurement process	Dec 2020 – May 2021
Start golf club mitigation works	Sept 2021
Start on roundabout (shorter construction period assuming construction to back of splitter island only) June 2021 – Dec 2021	June 2021 – Dec 2021
Project Completion Date (Includes a 3 month buffer for final claim and any slippage)	31 March 2022