

CABINET

9 JUNE 2020

HOUSING INFRASTRUCTURE FUND (HIF) NEW ROUTES TO GOOD GROWTH – PROJECT DELIVERY

Portfolio Holder: Councillor Alan Jarrett, Leader

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Summary

This report provides an update on the progress of Medway's Housing Infrastructure Fund (HIF) Bid – New Routes to Good Growth, which will provide much needed infrastructure to enable growth in and around the Hoo Peninsula.

The report asks Cabinet to agree in principle that, should it become necessary, the Council will utilise compulsory acquisition powers to ensure delivery of the required infrastructure of road, rail and Strategic Environmental Management Scheme (SEMS) that is to be supported by the HIF. As this is an in principle decision a further report will be presented to Cabinet at a later date detailing the full acquisition programme and seeking approval for the detailed acquisition proposals.

1. Budget and Policy Framework

- 1.1 The decisions in this report are within the Council's policy and budget framework, and are for Cabinet determination.
- 1.2 This report has been included on the Forward Plan in accordance with Section 10 (General Exception) and Section 5 (Procedures prior to private meetings) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. However, this report has been circulated separately to the main agenda. Therefore, the Cabinet is asked to accept this report as urgent to meet the target date for signing the Grant Determination Agreement by 30 June 2020. The next scheduled Cabinet meeting is due to take place on 7 July 2020.

2. Background

- 2.1 In September 2017, Medway Council submitted to Homes England an Expression of Interest, for a project called New Routes to Good Growth. This £170m bid was intended to unlock potential new development on the Hoo Peninsula of 12,100 new homes by 2043, and to strengthen the area's economy through development of commercial space at Kingsnorth and Grain.
- 2.2 The Council submitted its New Routes to Good Growth Business Case to the Ministry of Housing, Communities & Local Government (MHCLG) on 1 March 2019.
- 2.3 On 1 November 2019, MHCLG announced that Medway's HIF bid had been successful. Since then, officers have been responding to conditions that MHCLG and Homes England require to be attached to the receipt of this funding.
- 2.4 These are to be set out in a Grant Determination Agreement (GDA) with Homes England. Some of these conditions are required to be met before the GDA is entered into.
- 2.5 One of these conditions requires the Council to provide evidence of its commitment that CPO powers will be used if required to deliver the infrastructure.
- 2.6 This report is brought forward to enable the Council to satisfy that condition.
- 2.7 On 4 February 2020, £170m was added to the Council's capital programme, in anticipation of receipt of funding.

3. Options

- 3.1 There are two principal options:

Option 1: Cabinet approves the high-level strategy for obtaining and using compulsory acquisition powers and grants in principle approval to the use of such powers, if confirmed, in respect of all land required to deliver the road, rail and SEMS infrastructure.

Option 2: Cabinet declines to approve the high-level strategy for the use of compulsory acquisition powers and to the in principle use of such powers, if confirmed, of all relevant land required to undertake road, rail and SEMS delivery.

- 3.2 Option 1 is the only approach that will unlock the allocated £170m of government investment in the Hoo peninsula. As such it is the recommended option.

4. Risk Management

- 4.1 The risks associated with entering into the Grant Determination Agreement on the basis of Option 1 being taken, are as follows:

Risk	Description	Action to avoid or mitigate risk
Compulsory acquisition proceedings are opposed	There is a risk compulsory acquisition powers will not be granted if a successful objection is made. Such an objection may be made on the basis that the relevant policy and legal tests have not been met, including human rights and equalities considerations. This is in the context that compulsory purchase involves significant interference with private property and landowners being forced to part with land or buildings, against their will and is therefore only appropriate in circumstances where the public interest outweighs the rights of the owners.	Seek appropriate specialist support to make as robust a case as possible if made for the Council's use of compulsory acquisition powers.
Cabinet declines the use of Compulsory Purchase powers in principle	Condition 18 cannot not be met, therefore resulting in the Grant Determination Agreement not being signed on 30 June 2020.	Agree to use compulsory acquisition powers subject to a further report being present with full details of the compulsory acquisition proposals for each intervention.

5. Financial Implications

- 5.1 The Council will need to bear the costs of preparing the necessary documentation to obtain compulsory acquisition powers and then submitting it to the Secretary of State for confirmation.
- 5.2 The Council will also have to bear the costs of taking steps to secure the planning and other consents for the project which are required in order to justify seeking compulsory acquisition powers, which could include the costs of preparing for and attending any required public inquiry.
- 5.3.1 The above costs would be met from the New Routes to Good Growth HIF budget, however as with the overall scheme, in the event of any overspend this would need to be met by the Council.

- 5.3.2 If agreement can be reached with the relevant landowners for the voluntary transfers of land, the Council will need to cover costs for acquisition of land/buildings together with legal and surveyor's costs and stamp duty land tax.
- 5.3.3 If agreement cannot be reached and the Council decides to use compulsory acquisition powers to acquire land/ buildings then the Council will need to pay for the costs for any land compensation and professional fees etc.
- 5.3.4 The Council will need to also bear in mind there is a risk that the costs of objectors to the compulsory acquisition powers will have to be borne by the Council if consents are not granted.

6. Legal Implications

- 6.1 As this is solely an “in principle” decision to confirm that the Council is willing to use the powers available to it to compulsorily acquire land if required to bring the scheme forward there are no direct legal implications. Any application for consent (and associated compulsory acquisition powers) will need a further approval from Cabinet when details are available regarding any land requirements and extent.

7. Recommendations

- 7.1 The report asks Cabinet to agree to in principle that should it become necessary it will utilise compulsory acquisition powers to ensure delivery of the required infrastructure of road, rail and Strategic Environmental Management Scheme (SEMS). As this is an in principle decision a further report will be presented seeking approval for the detailed acquisition proposals.
- 7.2 Cabinet is also asked to note the high-level strategy and timeline for use of compulsory acquisition powers.

8. Suggested reasons for decisions

- 8.1 In order to enter into the GDA agreement is required to demonstrate commitment to use compulsory acquisition powers should it become necessary.

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Appendices

Appendix 1 (exempt) – High level Compulsory Acquisition Strategy
Appendix 2 (exempt) – Indicative timeline

Background papers

[5 February 2019 Cabinet Paper – Housing Infrastructure Fund Bid – New Routes to Good Growth](#)

[3 February 2020 Cabinet Paper – Capital and Revenue Budgets 2020/21](#)