

Discussion:

Members considered a report regarding a call-in received from eight Members of the Council regarding the Cabinet decisions taken on 26 July 2022 on the Future Hoo Progress Report.

Councillor Mrs Turpin, as the lead call-in Member, explained the reasons for the call-in, as set out in paragraph 2.12 of the report to the Committee. She noted that

- at the Cabinet meeting on 26 July, several changes had been made to the Medway Infrastructure Delivery Plan (Appendix 5 to the Cabinet report), however, she did not believe the revised figure agreed at the meeting was correct.
- all the additional rail infrastructure funding had been removed, queried therefore how a functioning railway station could be delivered. Removing the highways funding lines did not mean that these projects were no longer required
- the sports centre delivery was in question,
- health and social care funding estimates had been removed, but the point was made that these were still needed to give an indication of what could actually be delivered.
- the purpose of the HIF was to have the infrastructure in place before housing was built. The funding was now uncertain, given the significant reliance on S106 contributions and the fact that in many areas funding sources were still to be determined. Without more certainty around funding it seemed unwise at this point to go out to consultation.

Other Members who had called in the decisions made the following points:

- It was unclear whether the HIF project was on track financially
- Whilst the proposed projects in the Infrastructure Delivery Plan (IDP) were welcomed, whether they could be funded was a significant concern
- The validity of the documents agreed by Cabinet was questioned
- There were concerns about the removal of the budgetary pressure for passenger subsidies, given the need to identify funding for the railway station
- The removal of the funding set aside for the Hoo Peninsula Road additional costs, including contingency, was a concern given high inflation and the impact on construction costs
- There was a need for certainty as to whether projects could still be delivered given the changes made by Cabinet to Appendix 5
- There had been insufficient engagement with local Members
- There was too much reliance on S106 contributions and greater clarity was needed, particularly as elements of this were higher risk and the amounts being sought were higher than usual

- Cabinet had set aside feasibility funding in 2018 to allow detailed consideration of a possible sports centre, but no work seems to have taken place, even though the present sports centre was not adequate.

The Director of Place and Deputy Chief Executive apologised to Members for the issues with Appendix 5 of the Cabinet Report in particular, acknowledging that whilst these were complex matters, the information should have been made clearer. Responding to the points raised by members of the Committee;

- that Cabinet Members had not had enough time to read the amended papers after the adjournment, he noted the changes to Appendix 5 had been requested by Members and Cabinet had simply needed to assure itself these changes had been incorporated; indeed, the Leader had gone through them at the meeting in detail. Further, Appendix 5 was not the document subject to consultation and thus not one for a decision by Cabinet.
- The IDP was a requirement under national Planning policy, which recognised that there may not be certainty or the funding secured for the necessary strategic infrastructure at the time the plan was produced. This point was reiterated in the IDP itself and also seen in other Councils' IDPs. Members had rightly pointed out additional funding was required, but that was countenanced under national planning policy. It would be virtually impossible to finalise, quantify and secure funding such a long time in advance and the IDP would continue to evolve over time.
- With regard to the HIF, these projects would be able to be constructed within the funding envelope agreed with Homes England. There were significant cost pressures which were impacting on the construction sector. The Council's housing target in 2016, before HIF, was 30,000. HIF funding had been secured through a competitive process which allowed the Council to forward fund core infrastructure projects. Without HIF these would have to be funded by developer contributions, which could only go so far and if spent on core infrastructure could not also be spent on community facilities, such as health and education. With or without HIF the housing target remained at 30,000 homes and some form of housing development on the peninsula was inevitable.

The Committee then debated the call-in and the following issues were discussed:

- *Changes made to the Infrastructure Delivery Plan* - some Members considered that the revised Appendix 5 still contained serious errors. In terms of funding which needed to be identified, £100m had been removed from Table 1A in Appendix 5 and clarity was requested on costings so that people on the peninsula could see whether what was being consulted on could be delivered. Officers explained in detail, on a line-by-line basis, why each change to the Infrastructure Delivery Plan had been made.
- *Explanatory document* – Members suggested that an additional document should be produced to clearly explain the key elements of the Hoo Development Framework and how they will be funded, including current

uncertainties and the assumptions that had been made around S106 contributions. This would assist Members when engaging with residents. A point was made that the process needed to be more transparent with greater Member involvement.

- *Budget and Policy Framework considerations* – the Monitoring Officer assured Members that the Cabinet decisions were not a breach of the Policy Framework. The latter was defined in the Constitution and included the Local Plan (referred to as the Development Plan). The Consultation document did not breach any of the policies which comprised the Policy Framework.
- *Hoo Development Framework (HDF)* – officers advised this was at an early stage and was an attempt to show what sustainable development for the peninsula looked like. In the absence of a Local Plan, concerns about delivery were understandable but the document was not a wish list and had been developed in consultation with stakeholders and providers, and at this stage there could not be certainty about costings. Members were assured that the HDF was a part of the evidence base for the Local Plan, which would continue to be developed.
- Members questioned why consultation on the HDF had to happen now when it was dependant on the HIF being delivered, which was not certain. The weight the approved document would be given in the absence of a Local Plan was also queried. The Head of Planning advised that it was now the right time to go out to consultation to set out the wider context for the HIF projects, as requested by residents. The HDF was a consultation document which forms part of the evidence base for the Local Plan.
- Members queried what would happen if developers submitted planning applications for Hoo on the basis of the existence of the HDF when the evidence base was not there yet. The Head of Planning commented that developers understood the situation and were holding back on submitting large planning applications. Any applications made before the Local Plan was adopted would be assessed on its merits. With HIF in place, applications would be more sustainable. Without HIF, S106 contributions would need to go towards the costs of infrastructure.
- *Committing future Administrations to policies* – the point was made that it should be possible to give some guidelines as to what was expected of future Administrations.
- *S106 Contributions* – whether these would need to substantially increase to pay for the projects in the Infrastructure Delivery Plan was queried. Officers advised that the IDP was developed on an iterative basis, that built on past experience in securing S106 contributions and would evolve as the evidence base was gathered. The IDP made clear that only infrastructure required in the first 5 years must be shown to be deliverable. There was a need to be clear about aspirations, but it was not possible to provide certainty over 20 years of development at this stage of the process. The Head of Planning confirmed there would need to be an uplift in S106 contributions, which would

fund significant elements of the infrastructure, but other funding would still need to be identified.

- *Rail Service offer* – how to future proof this to allow the Medway curve to be built in the future was queried. Officers advised that the rail service proposed was deliverable and enabled the service to grow as the community grew. Initially, there would be a battery operated two carriage train capable of carrying 120 passengers. The impact on existing freight services was a constraint but the tracks existed already and were being tested to make sure they could deliver the expected passenger service. Officers advised the design of the service would not preclude the Medway curve in the future. Whether the land needed for the Medway curve was in Council or third-party ownership would be clarified. It was pointed out that Network Rail had signed up to the Council's proposals. Members expressed surprise at the response that the three transport projects that had been removed had never been part of what had been agreed with Homes England in terms of HIF funding and were for the Council to decide on at a later date. The fact these elements were aspirational had not been made clear.
- *Governance around the Local Plan* – concern was expressed at the lack of wider Member involvement in the development of the Local Plan, with insufficient time for Members to make informed decisions.
- *HIF project* – in response to how much was left of the £170m allocated, Members were advised that an annual budget was prepared and monitored quarterly. To date £10m had been spent, which had helped to provide considerable certainty for the project, involving consultations, due diligence and wider planning for the scheme. A Member queried this figure on the basis £6m had been budgeted for delivery. Officers advised the delivery budget was not overspent, and spend on highways etc would be allocated to the relevant element of the budget and not against the delivery budget. Officers advised that every claim for the costs of HIF projects had to be approved by Homes England.

It was proposed that the decisions be referred back to Cabinet for reconsideration with a recommendation that a new, concise document be produced as part of the consultation process to enable a better understanding of the wider issues in the Hoo Development Framework. Although this was agreed, due to concerns that not all Members had fully understood the scope of the new document being recommended, there was an adjournment so that the exact wording could be formulated and put to the Committee.

Following the adjournment, Members were advised that if the Committee considered the decision had not been fully understood by all Members then it was open to the Committee to rescind its decision. Following a vote, the Chairman announced that the decision to refer the matter back to Cabinet had been rescinded.

It was then proposed that the Cabinet decisions be referred to Council. The Monitoring Officer advised that the Committee would need to decide that it had considered the advice from the Monitoring Officer and the Chief Operating Officer

that the Cabinet decisions were not outside the budget or policy framework, and had decided to disagree with that advice.

The proposal that the decisions be referred to Full Council was agreed.

Decision:

The Committee agreed to refer the Cabinet decisions to Council for consideration.