

COUNCIL

8 SEPTEMBER 2022

FUTURE HOO PROGRESS REPORT

Portfolio Holders: Councillor Alan Jarrett, Leader of the Council
Councillor Rodney Chambers OBE, Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships
Councillor Jane Chitty, Portfolio Holder for Planning, Economic Growth and Regulation

Report from: Richard Hicks, Director of Place and Deputy Chief Executive

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Summary

This report advises the Council of the outcome of consideration of a call-in by the Regeneration, Culture and Environment Overview and Scrutiny Committee on 11 August 2022, in relation to Cabinet decisions (89-91/2022), and subsequent consideration by the Cabinet on 23 August 2022, to approve the commencement of consultation on the draft Hoo Development Framework, the continuation of progress on the preparation of applications for all aspects of the Future Hoo Project and to delegate authority to the Director of Place and Deputy Chief Executive, in consultation with the Leader, the Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships and the Portfolio Holder for Planning, Economic Growth and Regulation, to make any changes considered prudent to appendices 1-5 of the Cabinet report.

The Regeneration, Culture and Environment Overview and Scrutiny Committee has referred all three decisions to Council for consideration as set out below.

1. Budget and policy framework

- 1.1. The rules relating to call-in are set out in section 15 of Part 5, Chapter 4 of the Constitution.
- 1.2. On this occasion, the Regeneration, Culture and Environment Overview and Scrutiny Committee has agreed to refer all three decisions to full Council for consideration, in accordance with paragraph 15.6 of Part 5, Chapter 4 of the Constitution.

2. Background

- 2.1. The Cabinet considered a report entitled Future Hoo Progress Report on 26 July 2022.
- 2.2. The Cabinet's decisions were as follows:

Decision number: Decision:

- 89/2022** The Cabinet approved the commencement of consultation on the draft Hoo Development Framework document for a 7-week period and noted that the document would return to Cabinet for consideration following that consultation.
- 90/2022** The Cabinet approved the continuation of progress on the preparation of the applications for all aspects of the Future Hoo project.
- 91/2022** The Cabinet agreed to delegate authority to the Director of Place and Deputy Chief Executive, in consultation with the Leader, the Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships and the Portfolio Holder for Planning, Economic Growth and Regulation, to make any changes considered prudent to appendices 1-5.

Reasons:

To enable the Future Hoo programme to continue to meet its programme and funding requirements for delivery and to unlock £170m of Government Funding that has been secured to enable the delivery of infrastructure and sustainable development on the Hoo Peninsula

- 2.3. The above decisions were subsequently called in by eight Members of the Council from the Conservative Group. The reasons for the call in are as follows:

“Following the Cabinet meeting of 26th July we are very concerned about the decisions that were taken under Agenda Item 4, The Hoo Development Framework Progress Report.

Due to an adjournment for over half an hour during this meeting it was clear that there were considerable concerns/errors within Appendix 5. These updated papers were then presented to Cabinet members and around 5 minutes later the meeting resumed. Members of the public, unless present, were unable to view these amended documents until after the meeting closed.

Firstly, we do not feel that Cabinet members had long enough to read these amended papers to be able to take an informed decision on them and agree the recommendations.

Secondly, we were alarmed at the changes that took place within these documents raised more questions that now remain outstanding and need clarifying before a consultation on this should go forward.

We are very concerned regarding the HIF project and how this will progress in its entirety within the £170m budget. The original appendix 5 highlighted around £100 million of funding required from s106 to complete what falls within the HIF scheme. The amendments just cut those sections from the document, and it is therefore unclear if this project is on track financially. It is fundamental to the Hoo Development Framework and the consultation going forward, to know if this project can be delivered within budget without the need to be propped up by s106 funding.”

- 2.4. A report was included on the agenda of the Regeneration, Culture and Environment Overview and Scrutiny Committee meeting held on 11 August 2022 which provided details of the call in, together with comments in response from the Director of Place and Deputy Chief Executive, the Monitoring Officer and the Chief Operating Officer.
- 2.5. The minutes of the Committee’s consideration of the call-in are set out in Annexe A to this report.
- 2.6. The Committee agreed to refer the Cabinet decisions to Council for consideration.
- 2.7. The Cabinet considered a further report on 23 August 2022 which set out the outcome of consideration of a call-in by the Regeneration, Culture and Environment Overview and Scrutiny Committee on 11 August 2022, in relation to Cabinet decisions 89-91/2022.
- 2.8. The Cabinet’s decisions were as follows:

Decision number: ***Decision:***

The Cabinet noted the decision of the Regeneration, Culture and Environment Overview and Scrutiny Committee at its meeting on 11 August 2022 to refer the Cabinet decisions to Council for consideration.

103/2022 The Cabinet agreed that an explanatory document would be produced and submitted to Full Council when the matter was due to be discussed in September.

Reasons:

To enable the Cabinet to provide any additional comments to Council for its consideration of the Regeneration, Culture and Environment Overview and Scrutiny Committee's referral.

- 2.9. The explanatory document referred to above is included at Annexe Bi to the report for information. In addition, an Infrastructure Delivery Plan – Executive Summary is attached at Annexe Bii to the report for information.
3. **Monitoring Officer and Chief Operating Officer comments**
 - 3.1. This report advises the Council of the outcome of discussion at the Regeneration, Culture and Environment Overview and Scrutiny Committee as a consequence of the call-in of Cabinet decisions 89-91/2022. Section 9F of the Local Government Act 2000 requires a local authority's executive arrangements to provide for Overview and Scrutiny Committees to have the power to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Executive (i.e. Leader and Cabinet). This includes the power to review or scrutinise a decision made but not implemented (known as the call-in procedure) and to recommend that the decision be reconsidered by the person who made it (in this case the Leader and Cabinet) or to arrange for scrutiny of the decision to be exercised by full Council. The decision(s) subject to call-in cannot be implemented until the conclusion of this process.
 - 3.2. The options available to the Regeneration, Culture and Environment Overview and Scrutiny Committee on 11 August 2022 in relation to this matter were either to consider the matter and accept the Cabinet decisions, to ask the Leader and Cabinet to reconsider the decisions or to refer the matter to full Council. The Constitution is clear that a decision can only be called in once.
 - 3.3. On 11 August 2022 the Regeneration, Culture and Environment Overview and Scrutiny Committee decided to refer decisions 89-91/2022 to full Council. The Committee did not set out its reasons for this referral.
 - 3.4. The options available to Cabinet on 23 August 2022 were to either submit any comments to Council for consideration alongside the referral from the Committee or decide to not submit any comments.
 - 3.5. The advice of the Monitoring Officer and the Chief Operating Officer to the Regeneration, Culture and Environment Overview and Scrutiny Committee was that the Cabinet decisions taken on 26 July are not contrary to the Budget or Policy Framework.
 - 3.6. The Council's Policy Framework is defined in paragraph 4.1a of Article 4 of the Constitution and the Monitoring Officer's conclusion is that the consultation document does not breach any of these policies.

- 3.7. The latest capital monitoring submitted by the project team, indicates that the HIF scheme will be delivered within the budgeted funding envelope agreed with Homes England. Any references to costs over and above the £170million relate to risks that will need to be managed or decisions that have yet to be made and which in any event would need to be agreed with Homes England. Therefore, the Chief Operating Officer has concluded that the decisions made by Cabinet do not fall outside the budget.
- 3.8. Therefore, Full Council is asked to consider the referral from the Committee and will need to decide whether to take no further action (in which case the original decisions 89/2022, 90/2022 and 91/2022 can be implemented) or to refer the decisions back to the Cabinet for reconsideration.

4. Risk management

- 4.1. Cabinet Members were advised of the following risk management issues in the Cabinet report on 26 July 2022.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Consent refusal	The Future Hoo applications are refused consent after the full assessment work is undertaken.	Ensuring the scheme is well designed, mitigation and follows the mitigation hierarchy.	D1
High Inflation	Current market volatility and high inflation levels resulting in difficulty to accurately and reliably determine future pricing for schemes	Cost projections include inflation and cost rise risk allowances. As design progresses costs become more predictable	B2
Potential Delays arising from 3 rd parties	The risk remains that the partners of the Council are unable to maintain good progress and milestones slip impacting on deliverability and the GDA.	To continue to work collaboratively with 3 rd parties to ensure the scheme addresses the milestones in the GDA.	B2

5. Climate change implications

- 5.1. Cabinet Members were advised of the following climate change implications in the Cabinet report on 26 July 2022:
- 5.1.1. In bringing forward Future Hoo, the Council has from the start recognised the need to ensure that the interventions, and the development they support, help deliver Medway (and the Government's) aim of meeting net zero by 2050. That is why both highways and rail interventions are supported, and why the highway interventions will be designed to link well with surrounding development and facilitate active travel and bus movements.

- 5.1.2. The applications for the Future Hoo interventions will be supported by carbon assessments that will take account of the cumulative impacts of the road, rail and traffic movements associated with new housing.
- 5.1.3. This assessment will also report on the assumptions made in respect of carbon in construction and the Council is committed to ensuring that all of the Future Hoo programme is delivered as sustainably as possible (for example, through deliveries by rail for the rail scheme).

6. Financial and Legal implications

- 6.1. None arising from the report, beyond those set out in the Cabinet Report 26 July 2022.

7. Recommendations

- 7.1. The Council is asked to consider the referral from the Regeneration, Culture and Environment Overview and Scrutiny Committee on 11 August 2022, as detailed in Annexe A to the report and **either**:
- a) agree to take no further action (in which case the original Cabinet decisions 89/2022, 90/2022 and 91/2022 as set out in paragraph 2.2 of the report can be implemented) **or**:
 - b) agree to refer the original Cabinet decisions 89/2022, 90/2022 and 91/2022 as set out in paragraph 2.2 of the report, back to Cabinet for reconsideration.

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Appendices

Annexe A – Minutes of the discussion at the meeting of the Regeneration, Culture and Environment Overview and Scrutiny Committee held on 11 August 2022
Annexe B i – Explanatory Document (Creating Future Hoo)
Annexe B ii – Infrastructure Delivery Plan – Executive Summary
Annexe C – Cabinet Report (including appendices) dated 26 July 2022
Please note that revised Appendix 5, which was tabled at Cabinet on 26 July 2022, is included within this pack

Annexe C is included within the Agenda as follows:
Cabinet report dated 26 July 2022 – main agenda pack
Appendix 1 – main agenda pack
Appendices 2 and 3 – Supplementary Agenda No.1
Appendix 4 – Supplementary Agenda No.2
Sub Appendices to Appendix 4 – Supplementary Agenda No.3
Updated Appendix 5 – Supplementary Agenda No.4

Background papers

None