Dear Councillor,

A meeting of the DISTRICT COUNCIL will be held in the Council Chamber, Council Offices, Priory Road, Spalding on Wednesday, 26 July 2017, commencing at 6.30 pm at which your attendance is requested.

Yours faithfully,

Anna Graves
Chief Executive

AGENDA

14. Masterplanning - Northern Phase of Spalding Western Relief Road
   The report seeks to enable the Council to formally accept £224,000 in
   Homes and Communities Agency funding to support master-planning in
   relation to the Northern Spalding Sustainable Urban Extension; to make
   available match-funding to support the proposed master-planning
   exercise and to inform Council concerning the proposals in relation to
   the use of the funding (report of the Portfolio Holder for Growth and
   Commercialisation and Executive Director – Commercialisation is to
   follow).

19. Exclusion of the Press and Public
   To consider resolving that, under section 100A (4) of the Local
   Government Act 1972, the press and public be excluded from the
   meeting for the following items of business on the grounds that they
   involve the likely disclosure of exempt information as defined in
   paragraphs 1, 2 and 3 of Schedule 12 (A) of the Act.
21. Executive Assistants - Service Review
   To give consideration to the Executive Assistants’ service review (report
   of the Portfolio Holder for Strategy, Governance and Transformation and
   Chief Executive is to follow).

   Please note that a briefing for Councillors on the Place Directorate will be held
   immediately after the Council meeting.
SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Growth and Commercialisation

To: Council, Tuesday, 25 July 2017

Author: Matthew Hogan Strategic Housing Manager

Subject: Masterplanning of the Northern Spalding Sustainable Urban Extension

Purpose: To enable the Council to formally accept £224,000 in Homes and Communities Agency funding to support master-planning in relation to the Northern Spalding Sustainable Urban Extension. To make available match-funding to support the proposed master-planning exercise. To inform Council concerning the proposals in relation to the use of the funding.

Recommendation(s):

1) That Council formally accepts the sum of £224,000 in grant from the Homes and Communities Agency, awarded under the agency’s ‘Large Sites and Housing Zones Capacity Fund Programme’, to support master planning work in relation to the northern phase of the Spalding Western Relief Road and the associated housing land.

2) That Council makes available £100,000 in match funding from the Council’s Investment & Growth Reserve to support the proposed master planning exercise.

3) That Council approves a revenue expenditure budget of £344,000 in 2017/18 funded through HCA Grant (£224,000) and Investment & Growth Reserve (£100,000), noting that the budget may be amended accordingly if further financial contributions are received from external partners to support the project.

4) That Council notes the details of the proposals concerning the use of the funding in relation to the proposed master planning exercise.

1.0 BACKGROUND

1.1 The emerging South East Lincolnshire Local Plan includes proposals for major housing growth along land to the north of the Vernatt’s Drain, Spalding. The Plan proposes that, by 2036, the land to the north of the Vernatt’s Drain will provide for a substantial new sustainable urban extension. The sustainable urban extension will provide for at least approximately 900 dwellings within the plan period (to 2036) and in the longer term at least 4,000 new dwellings, alongside community infrastructure, including a new primary school, shops, health care facilities and services, and substantial open space.

1.2 A fundamental cornerstone of this substantial new neighbourhood is the provision of the Northern Section of the Spalding Western Relief Road (SWRR) which will play a critical role in opening-up the urban extension. The Northern Section is part of a long term strategy to provide a Relief Road to the west of Spalding; which, when completed, the road is expected to deliver significant benefits to the traffic management around Spalding, providing an alternative route to the congested A151 which passes through Spalding town.
centre. Additionally, the road, in its entirety, will lead to the opening-up of significant areas of land for housing and economic development. The relief road additionally has a major role to play in alleviating and managing traffic congestion associated with through-town rail traffic.

1.3 Whereas the proposals within the Local Plan represent a long term project, the Council is seeking to take a proactive approach now in order to develop detailed plans that enable the future and long term delivery of the proposed housing and infrastructure growth.

1.4 In November 2016 the government, through the Homes and Communities Agency, launched the ‘Large Sites and Housing Zones Capacity Funding’ programme. The purpose of the programme is to enable local authorities to bid for funding that would assist in providing additional financial capacity that would in turn support activity towards the planning of major housing projects. During December 2016 the Council, working in conjunction with Lincolnshire County Council in their capacity as the Local Highways Authority, submitted a bid for funding into the programme. The bid submitted was also developed in collaboration with key private sector partners with an interest in the housing development proposed along the northern edge of Spalding.

1.5 The bid submitted focused around securing financial support to progress detailed feasibility and design work in relation to the northern phase of the Spalding Western Relief Road and the associated housing land. In order to support the funding bid the Council and Lincolnshire County Council made an ‘in principle’ commitment of match-funding to support the feasibility and master-planning work. The Council’s ‘in principle’ match funding commitment was a sum of £100,000.

1.6 In March 2017, the Council received confirmation from the Homes and Communities Agency that its bid to the agency had been successful. The Council was awarded £224,000 to progress the proposed master planning and design work in relation to the proposed. The Council also received highly positive feedback on the quality of its funding application, and its proposed use for the funding.

1.7 The funding received from the Homes and Communities Agency is predicated on the Council adhering to a number of requirements. Those requirements include the following:

- That the Council and other partners adhere to their commitment in relation to match funding
- That the Council utilises the funding to support the projects referenced within the funding bid
- That the Council continues to brief the Homes and Communities Agency on the progress made towards the master-planning exercise set out within the funding bid.

1.8 Following the receipt of confirmation of the Council’s successful funding bid, officers have been engaging with partners to develop a programme of work is to develop the design of the northern phase sufficient to support a planning application and to confirm the options for the alignment of the central phase. Specifically, a work programme has been developed which focuses on delivering following outcomes from this exercise. Phase One of the work programme will focus on delivering the following:

- Developing preliminary design work for the first section of the SWRR Northern Phase (Roundabout One to Roundabout Two), supported by costings.
- Developing the design and route options for the central part of the SWRR between the southern phase and roundabout two of the northern phase. This will include a number
of potential alignment options, which need to be developed to a concept design level with initial costings.

- Developing a SWRR ‘movement strategy’, which will deal with multi-modal transport modelling
- Developing a SWRR Landscape Strategy
- Utilising the design work and cost estimates, developing a SWRR Delivery Strategy which will focus on identifying a funding mechanism to bring about the future delivery of the northern phase of the SWRR.

The initial phase of work detailed is budgeted at £160,000. The second stage is dependent on the outcome of the initial work and will be scoped to contain it within the available budget. The second stage includes work relating to drainage strategies for the proposed road, preparation of a flood risk strategy, and further detailed transport modelling. This programme of activity will be supported through the use of external consultancy, including the transport planning team at Mouchel (Lincolnshire County Council’s strategic highways partner).

1.9 A project plan has been developed for the activity listed above. It is anticipated that the proposed programme of master planning and design activity will commence in August 2017, with a view to enable a period of public consultation to be held on the detailed proposals in Summer 2018. This process will enable the Council to develop a detailed strategy for the future delivery of the proposed housing and infrastructure, in collaboration with Lincolnshire County Council and the associated private sector partners. The timeline for an agreed delivery strategy to be in place is October 2018. In the short-term, the timeline for developing detailed design-work, cost-estimates, and establishing the agreed details of a funding mechanism with partners needs to mesh with ongoing work streams associated with the emerging South East Lincolnshire Local Plan.

1.10 As set out earlier in this report, the Council’s funding bid to the Homes and Communities Agency was submitted on the basis of an ‘in principle’ commitment to provide an element of match funding. The match-funding proposed by the Council was £100,000.

1.11 Consequently, it is proposed that the Council makes available £100,000 from the Council’s Growth Fund to support the master planning exercise. In making available such funding, the Council is able to meet a key funding requirement associated with the £224,000 contribution made by the Homes and Communities Agency.

1.12 A match-funding commitment of £50,000 has also made by Lincolnshire County Council. An additional financial contribution is expected from the two private sector partners. This may be in the form of the direct commission of associated work. However, in the event of the Council receiving this financial contribution directly, the budget for the exercise will be adjusted accordingly.

2.0 OPTIONS

2.1 Do Nothing (Not Recommended). Under this option, the Council will not formally accept the receipt of the £224,000 grant commitment made by the Homes and Communities Agency. Furthermore, the Council will not make available match-funding to support the proposed work towards a masterplan and delivery strategy for the Northern Spalding Sustainable Urban Extension. Work on the master-planning of the Northern Spalding Sustainable Urban Extension, including work in relation to the proposed infrastructure and housing land, will not take place.
2.2 **Agree to the report recommendations (Recommended).** Under this option, the Council will formally accept the £224,000 grant commitment made by the Homes and Communities Agency. Furthermore, under this option the Council will make available £100,000 to support the proposed work towards a masterplan and delivery strategy for the Northern Spalding Sustainable Urban Extension.

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 The reasons for the recommendations are that the acceptance of the grant commitment made by the Homes and Communities Agency, along with the match-funding provided by the Council, will support work that will form the basis of the future delivery of a major housing growth proposal within the South East Lincolnshire Local Plan. The detailed work will evidence the commitment of South Holland and Lincolnshire County Council to the project and help demonstrate deliverability as part of the Local Plan process and examination.

4.0 **EXPECTED BENEFITS**

4.1 The short term benefits expected to emerge from the report recommendation are as follows;

- The development of technical and detailed design work for the Northern Phase of the Spalding Western Relief Road, including the links between the proposed relief road, the Peterborough to Lincoln rail line, and the A151
- The establishment of detailed estimates of cost of the Northern Phase of the Spalding Western Relief Road; cost estimates that will make a significant contribution to the creation of a delivery strategy for the proposed road
- The development of an outline route of the remaining sections of the Spalding Western Relief Road, including the relationship between the proposed relief road and the Bourne Road.
- Broader master-planning activity with regards to the relationship between the proposed housing land, the proposed infrastructure, and the existing surrounding settlement.
- The creation of a strategy that sets out how the future delivery of the northern phase of the Spalding Western Relief Road will be approached
- The first stage of work to approximately October 2017 will inform the examination of the South East Lincolnshire Local Plan.

4.2 The longer term benefits that this work is anticipated to deliver are as follows;

- Work that will contribute to the creation of detailed proposals designed to deliver strategically important infrastructure
- Work that will contribute to the creation of detailed proposals designed to deliver at least 4,000 new dwellings over the next 20 years and beyond, alongside community infrastructure, including a new primary school, shops, health care facilities and services, and substantial open space.

5.0 **IMPLICATIONS**

5.1 **Carbon Footprint / Environmental Issues**
5.1.1 The report recommendations in isolation do not create any carbon footprint or environmental issues. However, the proposed master-planning exercise work will focus upon how any environmental impacts emerging from the Northern Spalding Sustainable Urban Extension will be planned for and managed.

5.2 Constitutional & Legal

5.2.1 In accordance with the constitution, a Council decision is required on this matter as, under the financial procedure rules, approval and spend of grant above £100,000 is a matter reserved to the Council.

5.3 Contracts

5.3.1 The grant allocation made available to the Council by the Homes and Communities Agency is not linked to a formal contract. However, the Homes and Communities Agency have set out their expectations in terms of how the Council utilises the grant funding made available. Despite the absence of a contract, it is important that the Council meets the expectations that the Homes and Communities Agency have sets out with regards to the use of the grant and the commitment in terms of match funding. It is anticipated that specialist contractors will be engaged through a framework agreement in collaboration with the County Council as highways authority.

5.4 Corporate Priorities

5.4.1 If Council agree to the report recommendation, the proposed project will make a significant contribution to the Council’s corporate and strategic priorities, principally on the basis that the proposed activity will pave the way for the future delivery of major planned housing and infrastructure growth.

5.5 Financial

5.5.1 This work will be delivered through the use of external consultancy at an estimated cost to the Council of £344,000 in 2017/18.

5.5.2 The Council has successfully bid for £244,000 of HCA Grant subject to the Council providing match funding of £100,000. The Grant Application was submitted on the basis that if successful, this match funding would be provided from the Council’s Investment & Growth Reserve.

5.5.3 The Council’s Growth Fund was established to support work designed to enable the delivery of major projects that support growth in relation to housing, infrastructure and the economy. Use of this reserve is subject to specific member approval. The current Investment & Growth Reserve Balance at 1st April 2017 is £5.007m.

5.5.4 The report recommends that the Council now makes available £100,000 from the authority’s Investment & Growth Reserve to support the proposed activity in relation to the master-planning of the Northern Spalding Sustainable Urban Extension.

5.6 Risk Management
5.6.1 Risks are identified and recorded through the internal project management documents which are regularly reviewed and managed by the project team. Project risks could include the financial implications of not delivering the project within the agreed spending profile as reported to HCA, and slippage of the timetable for completion.

5.7 Stakeholders / Constitution / Timescales

5.7.1 The funding bid submitted to the Homes and Communities Agency represents the interests and involvement of a number of key stakeholders, including Lincolnshire County Council and two private sector partners with an interest in the development proposed as part of the Northern Spalding Sustainable Urban Extension. The master-planning work will be overseen by this partnership.

5.7.2 In terms of engagement with members of the public, a public consultation exercise focused on the emerging master planning project is planned for Summer 2018. It is anticipated that this public consultation exercise will make a significant contribution to the overall design and plans for the Northern Spalding Sustainable Urban Extension.

6.0 WARSDS/COMMUNITIES AFFECTED

6.1 All

7.0 ACRONYMS

- HCA – Homes and Communities Agency
- SWRR – Spalding Western Relief Road

| Background papers: | n/a |

**Lead Contact Officer**
Name and Post: Matthew Hogan Strategic Housing Manager
Telephone Number
Email: matthew.hogan@breckland-sholland.gov.uk

**Key Decision:** N

**Exempt Decision:** N

This report refers to a Mandatory Service
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted
This page is intentionally left blank
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
This page is intentionally left blank
By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted
This page is intentionally left blank