

## COUNCIL

21 January 2019

# ST GEORGE'S EVOLVING MASTERPLAN AND HOUSING INFRASTRUCTURE FUND (HIF) BUSINESS CASE

### Report of the Chief Executive

Strategic Aim:	All	
Exempt Information	Appendices 5, 7 & 8 of this report contain exempt information and are not for publication in accordance with Part 1 of Schedule 12A of the Local Government Act 1972. Further details can be seen in paragraph 17.2 below.	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Communications, Resources (other than Finance)	
Contact Officer(s):	Helen Briggs, Chief Executive	01572 758201 hbriggs@rutland.gov.uk
Ward Councillors	Normanton - Mr K Bool and Miss G Waller	

### DECISION RECOMMENDATIONS

That Council:

1. Notes the St George's Evolving masterplan attached at **Appendix 3** to this report.
2. Approves the recommendation from Cabinet to:  
  
Submit a business case for Forward Funding under the Housing Infrastructure Programme based on the evolving masterplan.

## 1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is for Council to consider the recommendations approved by Cabinet (Report 234/18) relating to the evolving Masterplan for the St George's site and the associated Housing Infrastructure Fund (HIF) Business Case.

## 2 BACKGROUND AND MAIN CONSIDERATIONS

## EXECUTIVE SUMMARY

- 2.1 Council are being asked to support the submission of a business case to Homes England for circa £30m funding to support the forward funding of infrastructure on and off-site. The submission will be based on the current version of the evolving masterplan, the proposed 2,215 homes and the supporting infrastructure. If Council supports the recommendation it is important to note that Council is not deciding on the following at this point and due process and decision making will still need to be progressed and any HIF allocation will be dependent on these key issues:
- a. Inclusion of the site into the Local Plan
  - b. Consideration of a planning application – this would be based on the masterplan which will continue to evolve in detail, through the on-going engagement and if successful support from the Garden Communities programme.

If Council does not support the submission of the HIF submission the MOD will still have a site that they intend to bring forward for development – they have made this clear. The case for supporting HIF is outlined within this report.

## BACKGROUND

- 2.2 Cabinet at its meeting on 18<sup>th</sup> December 2018 considered a report relating to the St George's Site and the HIF Business case. A copy of this report (excluding Appendices) is attached at **Appendix 1** to this report. Attached at **Appendix 2** to this report is a summary of the issues raised at Cabinet. At that meeting Cabinet resolved as follows:

<sup>i</sup>Cabinet unanimously agreed that, subject to amendments based on discussions held at the meeting that they would:

### 1. **NOTE;**

- i. the indicative timeline for the St George's project at Appendix 4; and
- ii. that a monthly progress report will continue to be provided to Cabinet on the progress of the evolving masterplan and the HIF business case highlighting any significant changes.

### 2. **RECOMMEND** to Council;

- i. The approval of the submission of a business case for forward funding under the Housing Infrastructure programme based on the evolving masterplan

- 2.3 Since the Cabinet meeting the project has continued to evolve. The evolving masterplan is unchanged and is attached at **Appendix 3**. Work on the HIF business plan has continued based in part on discussions at Cabinet, on-going discussions between partners, with Homes England and the on-going work in relation to costing etc. It has therefore been agreed by the Leader, Councillor Hemsley that in addition to the recommendation from Cabinet, supported by **Appendix 1** to this report, it would be helpful to use this opportunity to provide the updated position and further detail to support the recommendation. In addition further information is provided in relation to the Councils' submission for inclusion onto the Garden Communities

Programme. In part some of this information is confidential / exempt but every effort has been made to disclose the information in public to allow Council to make an informed and transparent decision.

#### Local Plan Review Process – Additional Consultation

- 2.4 The Council is currently undertaking a review of its Local Plan. Within this process additional consultation in relation to the St George's site and its potential inclusion within the Local Plan was undertaken between 13<sup>th</sup> August and 28<sup>th</sup> September 2018. Work is on-going to analyse in detail responses in relation to this additional consultation.

The analysis will take into account the Local Plan (Formal Responses for St George's – 805) consultation responses and the unofficial survey (772 received) circulated by Democracy Rutland. The Local Plan process will deal formally with these responses but it is useful information for Council in relation to their deliberations.

It must however be set in context – all responses were submitted prior to the release of the latest version of the Evolving masterplan thus not aware of the revised proposals, and changes made since the original consultation and the proposed supporting infrastructure. The consultation sought comments on the proposed changes to policies arising from incorporating St George's in to the plan and therefore provided little information on which to base a decision – there were comments submitted that reflected that.

The Democracy Rutland survey - in a review of the text comments:

Many were keen to highlight the need, if the development proceeds, for appropriate Education, Health and Community facilities – all of which are provided within the masterplan.

Also mitigation of proposed growth on utilities and highways – again also proposed within the masterplan.

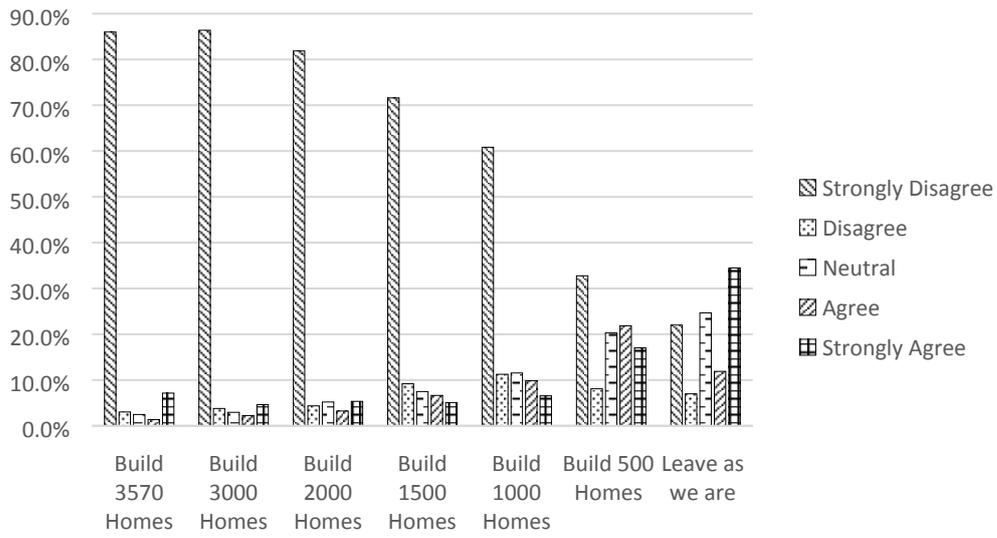
There is also support (65% agree or strongly agree) for development on the existing built up area – this is where the proposed development will be undertaken based on the current evolving masterplan.

There is strong support (68.3%) for not developing the war time grass airfield – the masterplan proposes this area for a Country Park, an area safeguarded for nationally safeguarded minerals extraction and the Grade 2 Star Listed Heritage site. Development is not therefore proposed on the majority of this area.

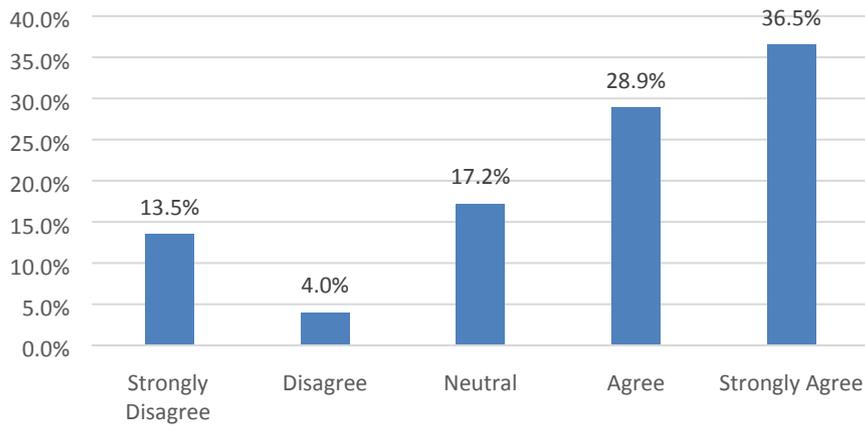
The preliminary analysis undertaken has prioritised analysing opinions on the scale and location of development, an update is provided as follows:

In relation to the number of houses – There is little support for the higher number of houses. This 'disagreement' reduces as the number of houses decreases:

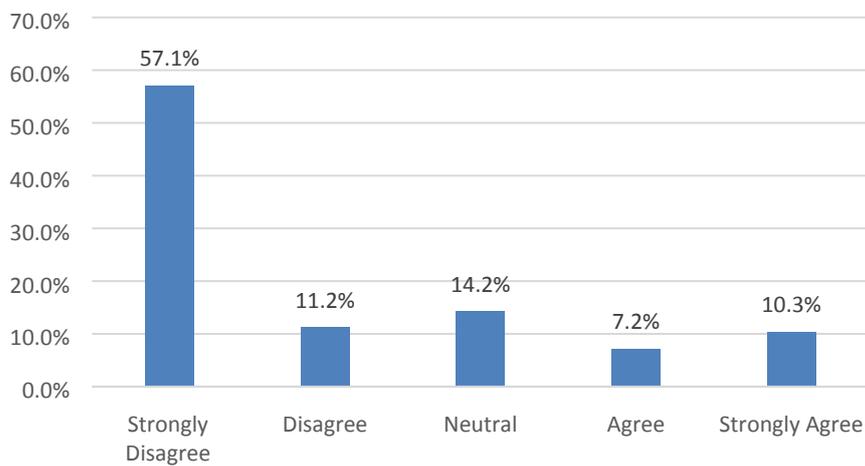
### Opinion on number of properties to be built as part of the St Georges Barracks project



### Build on the built up Barracks sites



### Build on the wartime grass airfield



2.5 At Cabinet on 18<sup>th</sup> December 2018 Councillor Brown (Deputy Leader) outlined for the meeting the following update in relation to consultation and the Local Plan and responses to the formal consultation:

“Mr G Brown brought to Cabinet’s attention a summary of the Public’s response to the Local Plan consultation. A further pre-submission consultation would take place in early 2019.

805 responses to the Local Plan were received. Some of the comments many of which had been addressed in the evolving Master Plan included:

- A desire by some not to have any development whatsoever
- The view that the area was a greenfield site despite the legal designation
- Concern over hedgerows and wildlife
- Concern over sewerage and Rutland water
- Concern that shops in Oakham and Uppingham would be affected
- Comment that minerals were not required (It was noted that Rutland was a mineral authority and there was a duty on the Council to ensure mineral planning was done in line with the law)
- Concern over the lack of public transport
- Desire for more renewable energy”

2.6 This report will therefore cover the following:

- a. An overview of the St George’s site
- b. A summary of the evolving masterplan
- c. Background to the HIF
- d. A summary of the HIF Business Case

### **3 AN OVERVIEW OF THE ST GEORGES SITE**

3.1 St George’s is a wholly owned MOD site. In 2016 ‘A Better Defence Estate’ identified St George’s as one of the MOD’s 91 most expensive sites (in relation to running costs) and it was included in a list of sites to be disposed of by 2040. The document made clear that this would also contribute to the delivery of 55,000 homes by the MOD within this Parliament. It identified St George’s for disposal by 2021.

3.2 The MOD have worked with RCC since the announcement of the closure in 2016. This is the latest stage of a process which commenced during 2017 and will continue into 2019 and beyond. Ultimately this will result in the submission of a planning application for the site by the MOD or their Land Sale Delivery Partner (LSDP) likely to be prepared during 2019/20, submitted in 2020 and considered in 2021.

3.3 In policy terms the site is designated as brownfield as defined by national planning policy in the National Planning Policy Framework. Alternative uses have been considered throughout the process. However, it was clear at an early stage that the

MOD based on their national targets to deliver housing have a clear preference for housing. The masterplan process has reflected this. Mr Robert Stone Head of Estates (MOD) confirmed this at Cabinet on 18<sup>th</sup> December 2018 and reiterated the view that this site would come forward for development. He indicated that by working in partnership, the Council had been able to significantly influence the masterplan and contribute to a shared vision for the site.

- 3.4 Proposed 'built' development of the new Garden Community is almost entirely on the area currently occupied by existing buildings. Existing buildings are of a poor quality and not fit for alternative use. They will be demolished and the site remediated prior to any development taking place.
- 3.5 In relation to Crichel Down provisions the MOD have followed due process and have concluded that no land will be returned to former owners.
- 3.6 The MOD are aware of the implications of the National Safeguarding area for minerals within the site and the Grade 2 Star listed Thor Missile site. Both have been at the forefront of thinking during the evolution of the masterplan.

#### **4 A SUMMARY OF THE EVOLVING MASTERPLAN**

- 4.1 Attached at **Appendix 3** is the latest version of the evolving Masterplan supporting the current plans for St George's. At **Appendix 4** a summary version is also attached. **Appendix 3** is a comprehensive document that outlines in detail the current evolution of the masterplan:
  - The overall vision and policy context for the project (Sections 2 & 3);
  - The journey the project has been on from the High Level masterplan (May 2018) (Sections 4 & 6);
  - Consultation (Section 6), including the public Non Statutory Consultation which took place in May and June 2018;
  - The recommendations resulting from consultation (Section 7); and
  - The current version of the evolving masterplan (Section 8)
  - Phasing & Delivery (Section 9)
- 4.2 This version of the evolving masterplan has been used as the basis of the HIF business case to be submitted by 22<sup>nd</sup> March 2019. As will be explained in sections 5 and 6 of this report the HIF business case must be developed based on a preferred option for the site. This follows a thorough co-design process with Homes England including a detailed appraisal of options and a robust assessment of the Economic, Commercial, Financial, Strategic and Management cases.
- 4.3 Council are being asked to note the current version of what will continue to be an evolving masterplan. This is not the end of the journey – work will continue to evolve the masterplan that will increase the level of detail and ultimately translate into a planning application. However, on-going work will be based on 2,215 homes on the main St George's site. There is a possibility subject to due process of a

further 30 homes at the site of the existing primary school. The HIF business case is therefore based on 2,215 homes with a reference to a further potential 30. This allows us to account for the potential capital receipt for the site within the HIF Business Case.

4.4 The MODs viability work, undertaken to support the HIF business case, has identified that 2,215 is the optimal number of homes based on:

- Financial viability (meets the National Planning Policy Framework (NPPF) requirements and will be evidenced in detail and transparently through the Local Plan process)<sup>ii</sup>;
- Sustainability – the minimum size of new community recommended by Ministry of Housing Communities and Local Government (MHCLG) is 1,500;
- A number of homes agreed by MOD as the right number of homes at the site (Based on the developable area and appropriate densities); and
- A policy compliant mix of homes – 30% (665) affordable homes will be provided.

4.5 In addition to HIF funding a submission has also been made to join the Garden Communities Programme. This will provide access to advice, guidance and funding to support the delivery of a Community based on Garden Community principles. We anticipate being told if our submission has been successful in February 2019. The total request for support is £400k. If RCC is successful in obtaining funding it would be the subject of Grant Conditions. Acceptance would require the approval of Council. RCC would be the accountable body and in control of spend (subject to meeting grant conditions).

4.6 In summary, if successful the submission will provide the following benefits:

#### **Potential benefits from being part of the Garden Communities Programme**

- Learning from others and sharing experience where we have similar issues. Accessing the Garden Villages and Towns Forum and in particular to learning from sites which are current or ex MOD sites. This will augment the support we already get from within the One Public Estate programme.
- Access to the Garden Communities Forum and the on-line toolkit.
- Governance, Stewardship & Project Management

This will include access to an independent resource over a two year period to work with the Partnership and the Community. They will Chair our Advisory Group and work with us to navigate the Governance and Stewardship issues that evolve from the existing site split between two parishes but isolated from them. The Edith Weston Neighbourhood plan specifically excludes the base but the community just outside the site also includes housing currently used by the MOD for Forces Families. This use will continue with the potential for these families to feel excluded from both the existing and the new community.

This will assist to navigate through the Governance and Stewardship issues relating

to the proposed Country Park, the Minerals extraction area and the listed part of the site - we will need support to do this effectively. We want to work to create a mechanism that will support stewardship appropriately. We want to explore a Trust and other models and reach agreement about how the future of the public realm will be secured and managed. We want to take surrounding communities on this journey with us to allow them to be part of the future. If we can gain local community buy-in we believe bringing forward the proposed development will be more successful. In order to support this work we will appoint a dedicated Project Manager. This will ensure that there is a single point of contact, a community champion and a post that will support stakeholder activity specifically. The Project Manager will support local communities to interact with the project. They will also support our Independent Chair.

- Design & Planning

RCC want a design code for the scheme that will support the County design guide. Supporting our aspirations for quality design and garden community features. Importantly it must resonate with our local community - it must meet their aspirations. RCC therefore requested support to allow us to engage with experts in the field to support this. Lord Matthew Taylor of Goss Moor is keen to bring his vast experience from across the Garden Community programme to support our aspirations. He has visited the site and sees the potential but also the issues of design which if not tackled appropriately will fundamentally undermine confidence in the project. Our MP Sir Alan Duncan whilst supportive of the project is also passionately committed to the principle of high quality design and delivery. RCC have therefore requested support for a dedicated planning resource (a case officer) for a two year period (not full time) to ensure that the design principles follow through from the masterplan to the planning application and delivery.

- Legal Advice

RCC want to be able to codify the requirements of the 'design' code possibly through Section 106 agreements. RCC would do this with additional support from Homes England under embryonic work underway (Led by Homes England) to explore this potential. Rutland is a special County and we are keen to preserve this. We believe the St George's site would be an ideal site to test this approach 'real time' and tackling 'real' issues – a listed part of the site, minerals extraction, a Country Park – significant stewardship and governance issues.

- Exploring a Dementia Friendly St George's

This would fund a project officer to work with our existing Adult Social Care Team, our Admiral Nurse and health colleagues to explore and enshrine within our plans for the future a Dementia Friendly community.

- Learning from Others

RCC want to support a programme of visits to existing and emerging Garden Communities. Encouraging Parish Councils and members of the Advisory Group to attend these visits. RCC would like to provide a fund which Parish Councils can access to fund travel etc. to enable them to visit sites across the Country as part of

a structured and supported programme.

#### 4.7 **What the current Evolving masterplan proposed at St George's:**

- A genuinely sustainable new Garden Community;
- 2,215 new homes of which 665 (a policy compliant 30% affordable homes will be delivered) - first houses started 2022/23 and final completion in 2036;
- Of the 665 affordable homes indicatively split as follows:  
33 will be self-build;  
266 will be 1 bed;  
200 will be 2 bed;  
133 will be 3 bed; and  
67 will 4/5 bed.

There will be a range of tenures including affordable rent, starter homes, shared ownership and rent-to-buy;

- Improvements in roads and road junctions to mitigate against increased traffic – completed by end of 2021/22;
- New access roads in place to support the construction period and improved access to the north of the site and away from Edith Weston;
- Buffers and significant landscaping around the perimeter of the site;
- A relocated newly built primary school – completed by end of 2022/23;
- A new Health Facility – completed by end of 2024/25 by which time less than 200 homes will have been built;
- Exemplar design underpinned by a County Wide Design Guide and a Site Specific Design Code;
- A Country Park incorporating a Heritage Zone – the site of the Grade 2 Star Thor Missile site;
- Access to over 200 Ha of public open space; and
- 14 Ha of employment land supporting the creation of 2,300 plus new jobs and capacity for circa 370 new businesses through:
  - Up to 62,000 Square Metres of growth space for existing businesses

- An attractive location for start-ups
- Space to attract inward investment.

## **5 BACKGROUND TO THE HIF**

5.1 It is intended to submit the HIF business case based on this version of the evolving masterplan by the deadline of 22<sup>nd</sup> March 2019. Work on the HIF submission is at an advanced stage based on the 2,215 number of homes, infrastructure required to support the new Garden Community and mitigate local communities from the impact of the development. This work has been essential to support the conclusion that the 2,215 figures is the optimal number based on viability, sustainability, the market and deliverability. This work will continue and will be rigorously challenged by Homes England as part of the on-going co-design process. The business case will therefore continue to evolve based on the on-going work but will continue to be based on the masterplan as presented with this report. MOD will also continue to review of the work.

5.2 It is worth noting the following in relation to HIF:

- The process is a competitive one with no guarantee of success;
- the preparation of the business case is a co-design process – the partnership have worked with Homes England and their consultants throughout the evolution of the business case;
- the work relating to the preparation of the business case has been supported by £130k funding from Homes England. Acceptance of this funding allocation was approved by Cabinet on 18<sup>th</sup> December 2018 as an urgent item of business;
- 22<sup>nd</sup> March is the final submission date for HIF Business Cases. Submission prior to that date is acceptable but no assessment decisions will be made until after that date;
- all successful HIF business cases will be made an offer underpinned by grant conditions and a requirement to sign up to an assurance framework. The decision at this stage to proceed to accept the grant will be a decision for Council to take;
- HIF Guidance is very clear “There are currently no plans for a second bidding round of HIF”. 22<sup>nd</sup> March therefore represents the last opportunity to submit the business case. The business case can only be submitted once; and
- The date by which HIF has to be spent has now changed. Initially it was by 2021 it is now 31<sup>st</sup> March 2024.

## **6 A SUMMARY OF THE HIF BUSINESS CASE**

6.1 The HIF is designed to forward fund expenditure relating to infrastructure on and off-site. This accords with the RCC and St George’s project principle of ‘Infrastructure First’ which has been at the forefront of thinking since project inception. HIF will underpin the viability of the project and ensure that appropriate and timely infrastructure is put in place. It could represent a significant investment in

infrastructure to support the St George's project and support the impact of this growth across the County. It will assist to ensure that the development progresses in line with our expectations.

- 6.2 HIF will only fund a part of the infrastructure cost. Infrastructure costs in turn only form part of the total development costs. Infrastructure and development costs not met by HIF will be met by the Developer. The project will also generate an estimated £16m CIL / S106 for the relevant Parish Council /(s) and the County Council. This funding can be used to provide off-site strategic infrastructure not directly provided by the scheme and elsewhere within Rutland, for example secondary and further education, waste and recycling and emergency services.
- 6.3 The HIF co-design process requires options for the site to be appraised. The project is therefore required to identify longlisted options considered, why they were rejected and then move to review shortlisted options in more detail. Rejected longlisted options included:
- a. Return to agricultural use – **rejected** by MOD fails to assist in meeting housing targets and maximising receipt.
  - b. Transfer of land back to previous owners (Under Crichel Down provisions) – due process followed by the MOD and **rejected**.
  - c. Alternative energy site **rejected** by MOD fails to assist in meeting housing targets and maximising receipt.
  - d. Marketing as a leisure destination **rejected** by MOD fails to assist in meeting housing targets and maximising receipt.
  - e. Alternative Public Sector use e.g. by Ministry of Justice – no interest – **rejected**.
  - f. Creation of a new Garden Community – houses in the range 1,500 – 3,500 – **preferred option (see section 6.4)**.
- 6.4 Members are aware that the Officers Mess site (4Ha) is adjacent to but separate from the main St George's site. The HIF submission does not include this site albeit it is referred to within the HIF business case. It is currently proposed that this site will be brought forward by Rutland County Council with potential for 70 new homes.
- 6.5 Shortlisted options based on (f) and co-design with Homes England were identified as:
- a. Option 1 (Preferred Option) – 2,245 Homes (Includes potential for additional homes on the current school site). This is based on £29.4m HIF.
  - b. Option 2 (With a reduced amount of HIF) – 1,530 Homes. This is based on £27.5m HIF.
  - c. Option 3 (No HIF Funding) – 350 Homes. This is based on £0 HIF.

6.6 **Table 1** summarises the key elements of the three options.

<b>Table 1</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Number of Homes	2,245	1,530	350
HIF Required	£29.4m	£27.5m	£0.0m
% age Affordable	30%	20%	30%
VFM Ratio	4.21:1	3.22:1	N/R
Risk Rating – Likelihood	Medium Low	High	High
Risk Rating - Impact	Medium Low	High	Medium high

6.7 **Option 1** is the **preferred option** based on the following justification for rejecting options 2 & 3:

#### Option 2

Is non policy compliant (insufficient delivery of affordable homes)  
 Reduced level of supporting infrastructure  
 Offers relatively poor Value for Money (VFM)  
 Number of houses delivered not acceptable to MOD  
 Not NPPF viability compliant  
 Would impact on RCC Local Plan requiring additional sites to come forward  
 High risk based deliverability – non policy compliant, market assessment poor for deliverability, NPPF non, viable

#### Option 3

Number of houses delivered not acceptable to MOD  
 Would leave circa 280 Ha of site undeveloped including areas of existing built development  
 No additional infrastructure  
 Would leave MOD with significant holding costs and a requirement from RCC for a masterplan for the redundant site  
 Would heighten the issue of protecting the Grade 2 Star listed part of the site  
 Would significantly impact on RCC Local Plan requiring additional sites to come forward

The HIF request generated by the preferred option is currently estimated at £29.4m. Based on total scheme costs estimated at £720m and Infrastructure Costs estimated at £130m.

- 6.8 **Exempt Appendix 5** is an indicative breakdown of the infrastructure work and estimated costs. It also indicates what expenditure the HIF may cover based on £29.4 HIF allocation.
- 6.9 The HIF process requires a detailed business case to be prepared for the 'Preferred Option'. This includes:

A Project summary - attached at **Appendix 6**;

Strategic Case - this demonstrates how the proposal will contribute to growth and housing ambitions. It also requires evidence of support from the following:

- a. Member of Parliament – Sir Alan Duncan supported our expression of interest, our submission to the Garden Communities Programme and we have requested his support for the HIF business case.
- b. Local Community – in this section we have been very clear about the concerns and issues raised through the consultation process, the Parish Council Advisory Group, directly by Parish Councils and individuals. We have also articulated what we have done to respond to those concerns and the work we will continue to do to reassure them going forward.
- c. Local Enterprise Partnerships (LEP) – the scheme has the support of the Greater Lincolnshire LEP and the Cambridgeshire / Peterborough Combined Authority LEP.
- d. Supporting Upper Tier Council's – we have letters of support from Peterborough, Lincolnshire and Leicestershire
- e. Supporting Lower Tier Council's – we have letters of support from Melton Borough Council, Harborough District Council and South Kesteven District Council
- f. Other key stakeholders – we have letters of support from East Leicestershire and Rutland Clinical Commissioning Group (ELRCCG), Leicestershire Constabulary, Rutland Schools, Rutland Businesses and MOD

Economic Case – this requires a detailed assessment including monetised and non-monetised impacts, sensitivity analysis (allowing for risk factors including cost increases, market fluctuations etc).

Commercial Case – this requires a detailed assessment of how the proposal will fit with the local market and demand. It involves soft market testing with potential developers and estate agents. It assists to inform projected house prices, land valuations, the right mix of housing and confidence levels in the project.

Procurement Strategy and Contract Management – this is largely an issue for the MOD who will through a full OJEU compliant process procure a Land Sale Delivery partner (LSDP). Contract management will then be the responsibility of the LSDP and the MOD. RCC will remain a key partner with the ability to influence the project in addition to its statutory role as Planning, Highways and Minerals Authority.

Financial Case – this brings together for the preferred option the various data

sources including the masterplan, the economic, commercial and valuation data to provide estimated costs for the scheme, thus informing the project VFM rating and assisting to calculate the HIF requirement. It proves that the scheme is viable with the HIF support requested and can deliver the 2,215 homes with 30% (665) affordable homes. It also indicates how the scheme will be funded – wholly a mix of HIF and Developer contributions. It identifies the Gross Development Value (GDV) for the preferred option of £621,210,040, a VFM ratio of 4.21:1 and a HIF requirement of £29.4m. **Exempt Appendix 7** – provides more detail in relation to the financial case.

Management Case – this requires a description of how the project will be managed, the project delivery plan and programme, stakeholder management and in general how the project will be taken forward. The project management proposed is designed based on RCC Project Management Frameworks. In relation to Member representation, the Project Board will include the Leader (Chair), supported by the Deputy Leader and one of the Ward Members for Normanton Ward.

Risk Management – this requires a full analysis of the key risks and mitigation demonstrated at **Exempt Appendix 8**.

Project sign off – this requires a supporting statement from the Council's Section 151 Officer i.e. Mr Della Rocca – Strategic Director (Resources).

Supporting Evidence – the business case is supported throughout by evidence required to substantiate the conclusions and evidence support etc.

- 6.10 If the HIF submission is successful, the Council as the accountable body will receive a grant determination agreement. This will contain the terms and conditions of the grant. This is expected to have bespoke elements and conditions dependent on the scheme, and will have a baseline against which schemes will be monitored. Council approval to sign the Grant Determination agreement will be required. In summary the submission of the business case does not commit the Council to accept the grant. Funding will be dependent on achieving key milestones – for example inclusion in the Local Plan, Planning Permission, etc.
- 6.11 The HIF fund represents a once only opportunity to secure forward funding to underpin the delivery of 'Infrastructure First'. It will support the appropriate investment in infrastructure to create a genuinely sustainable new community whilst also mitigating against the impact of that new community in the surrounding areas. It represents a significant investment in infrastructure from which surrounding communities will benefit – an upgraded road network, public transport, a primary school which is fit for purpose - sustainable and future proofed, community facilities, a new Health and Well Being Centre and a Country Park.
- 6.12 The Forward Funding element of HIF is to support delivery of infrastructure at the early stages of projects. Certain aspects (i.e. Off-site) can be delivered in advance of the phased approach for the project. Off-site delivery can commence in advance of the vacation of the site by the MOD or on areas of the site not currently in use including:
- As Highways Authority RCC can directly progress design and delivery of highways

improvements by accessing HIF funding; and

- RCC will be in a position to commission enhanced public transport right at the start of the development, subsidised until they become commercially viable.

6.13 Traditionally, infrastructure would be delivered much later in the projects as a trigger number of homes are built. Section 10 of the masterplan outlines the proposed phasing of the project. Phase 1 includes delivery of:

- New access points to Wytchley Warren Lane
- New Primary school
- Village Green
- Landscape buffers

## 7 CONSULTATION

7.1 Non statutory consultation in relation to the High Level Master Plan for St George's was undertaken and has fed into the master plan at **Appendix 1** as outlined in sections 6, 7 and 8.

7.2 The St George's Advisory Group established following a meeting convened by Sir Alan Duncan has provided an on-going mechanism for engagement with Parish Council's. The Group has met regularly and has had opportunities to both question MOD, RegenCo and RCC and to comment on proposals. Whilst there continues to be a significant degree of concern about the scale and pace of development. The masterplan has been amended to reflect many of the concerns raised throughout the process.

7.3 Going forward we hope that there will be a willingness from the Advisory Board to continue to engage in the next stages of the project. We have specifically bid for funding within the Garden Communities Fund to support:

- Visits by Parish Council representatives to existing and emerging Garden Communities
- An independent Chair of the Advisory Board
- An independent resource (A Dedicated Project Officer) to support the project

7.4 The relevant Scrutiny Panel considered the project at its meeting on 11<sup>th</sup> October 2018. The panel can of course at any point request a further opportunity to scrutinise the project. Feedback provided by Councillor Ben Callaghan, Chair of the Growth, Infrastructure and Resources Scrutiny Panel was also raised and responded to at the Cabinet meeting on 18<sup>th</sup> December 2018. The issues raised were as follows with the responses in **bold**:

1. There was concern in regard to inadequate communication, leading to some parishes allegedly being unaware of the project. Therefore please could a communication plan be included in any project plans, to allay any such concerns.

**The concerns were noted. A communications plan has been in place since the inception of the project and will continue. The Advisory Group**

**provides a good mechanism for communicating through Parish Council representatives. Continued efforts will be made to improve communications.**

2. There was concern as to how the project would be affected should the HIF bid not be successful. Therefore please could there be some narrative in regard to this scenario

**This issue is addressed in Section 8.1 of this report. It reflects what might happen if the Business Case for HIF was not submitted i.e. a scenario where there is no HIF.**

- 7.5 There is significant engagement on-going with the local business community, the education sector and a wider stakeholder group including utilities, neighbouring councils and developers.

## **8 ALTERNATIVE OPTIONS**

- 8.1 The alternative option is to not support the HIF submission.

- 8.2 If Council opts not to support the HIF submission this could lead to the loss of a significant investment in infrastructure, the likelihood that infrastructure would be delivered much later into the project and some elements may not be delivered at all. The obvious course of action would be for the Council to withdraw from the project and the partnership. The Council's on-going role would probably be its statutory role.

- 8.3 At this point the MOD will need to review their options. At Cabinet on 18<sup>th</sup> December 2018 Mr Robert Stone made it clear that the MOD would continue with the project. That the site is surplus to their requirements and will be disposed of. Receipts will be used to support the wider MOD estate. The options therefore open to them are as follows:

- Sell the site for development
- Procure a Land Sale Development Partner to bring forward the site
- Transfer the site to Homes England to bring forward

- 8.4 In all of the scenarios above the Council's influence over the project would diminish to our role as Local Planning, Highways and Minerals authority. This could result in a significantly different masterplan with a possible proposal for a higher housing number. It is also likely with any plan that would come forward more slowly, there would be a risk that multiple developers may be involved in an uncoordinated way and a delay in the delivery of any supporting infrastructure.

- 8.5 The St George's site can make a significant contribution to the housing requirement for Rutland especially for young people and families thus protecting other areas across the County from further development. Consultation about the inclusion of the site into the Local Plan has been undertaken. If the masterplan and HIF submission do not progress the site will not be in a position to be counted within the current iteration of the Local Plan requiring other sites in Rutland to be allocated. While the MOD have been clear that the site will come forward, the

Council must be in a position to prove a five year housing supply to validate a sound Local Plan.

## **9 FINANCIAL IMPLICATIONS**

- 9.1 The submission of the business case does not commit the Council to accept the grant should it be successful, so in one sense there are no direct financial implications associated with the decision to submit a bid.
- 9.2 If the Council submits a bid then it could mean that up to £30m of funding would be available to spend on infrastructure. The key benefit is that some infrastructure would be delivered up front.
- 9.3 If the Council does not submit a bid then, as indicated above, the MOD will consider its options and as noted in Section 8 there could be a loss of investment in any subsequent development.
- 9.4 This will depend on the outcome of any CIL/Section 106 negotiations with the developer, but in all likelihood the loss of potential grant funding is unlikely to be replaced with additional developer contributions. This would not stop the Council investing its own resources through borrowing or other means.
- 9.5 What is certain is that any developer contributions will be received when triggers are met under Section 106 agreement so funding would not be received in advance meaning infrastructure would be delivered later into the project.
- 9.6 In terms of the wider financial position, the Council's MTFP assumes minimum growth of 160 houses per annum in line with the Local Plan. This is assumed to have a positive impact on the Council's finances. The decision not to proceed with the submission would not impact the MTFP as the Council would still be required to meet its housing target whether it is through this project or others.

## **10 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 10.1 The Council is required through statutory guidance contained in the NPPF (Section 4) to engage proactively with potential applicants who are seeking to bring forward a site. While this does not require that a particular decision is made it is something that Council is required to take into account when determining such matters.
- 10.2 It should be noted that this report only grants permission for the bid to be submitted. The submission of the bid does not:
- (i) have a bearing on the Local Plan process or the determination of a planning application for the site
  - (ii) finalise the Masterplan
  - (iii) Commit the Council to accept the funding should the bid be successful

## **11 DATA PROTECTION IMPLICATIONS**

- 11.1 A data protection impact assessment has not been completed as there are no data protection implications.

## **12 EQUALITY IMPACT ASSESSMENT**

- 12.1 Not relevant for this report.

## **13 COMMUNITY SAFETY IMPLICATIONS**

- 13.1 There are no Community Safety Implications.

## **14 HEALTH AND WELLBEING IMPLICATIONS**

- 14.1 It is vital that the health and wellbeing needs of the new community are reflected in the project and plans going forward. The current version of the evolving masterplan responds to this issue and highlights the need for appropriate Primary Care – a GP surgery and for the development to support healthy lifestyles and a Dementia Friendly community. The Council will continue to work with key stakeholders – East Leicestershire Clinical Commissioning Group, as we have under the One Public Estate programme in relation to health and social care provision for the current and future needs of not just St George's but the wider community.
- 14.2 Further versions of the masterplan will support this with increased detail about how this will be delivered.

## **15 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 The current evolution of the master plan for St George's is based on the optimal number of homes to create a new sustainable community with appropriate infrastructure and mitigation against the impact of development. It represents a plan for the site with appropriate infrastructure.
- 15.2 The HIF submission will ensure that funding is available to support delivery of appropriate infrastructure but most importantly will ensure infrastructure is delivered at the beginning of the development and in some instances in advance of any house building. Most notably the highways improvements.
- 15.3 In recognition that the St George's site is a redundant brownfield site and that the MOD have a duty to maximise the site potential (in this instance through housing) - the evolving master plan and HIF submission represent an opportunity to ensure that the St George's site is delivered in a way that delivers a new sustainable community that is Right for Rutland as a County.

## 16 BACKGROUND PAPERS

16.1 The following background papers are relevant:

HIF Guidance – Supporting Document for Forward Funding  
Forward Funding: Business Case Guidance  
A Better Defence Estate 2016 MOD Publication

## 17 APPENDICES

17.1 Appendices attached as follows:

Appendix 1 - Report to Cabinet 234/18  
Appendix 2 - Summary of issues raised at Cabinet 18<sup>th</sup> December 2018  
Appendix 3 - St George's Evolving Masterplan as at 18<sup>th</sup> December 2018  
Appendix 4 - Summary of the St George's Evolving Masterplan as at 18<sup>th</sup> December 2018  
Appendix 5 - **EXEMPT** – Indicative breakdown of the infrastructure work and costs with an indication of how the £29.4m HIF might be allocated  
Appendix 6 - HIF Project Summary  
Appendix 7 – **EXEMPT** HIF Financial Case  
Appendix 8 – **EXEMPT** HIF Risk Log

17.2 **Exempt Appendices** – Appendices 5,7 and 8 are marked as “Not For Publication” because they contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, namely - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.**

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<sup>i</sup> Based on Draft minutes yet to be approved by Cabinet – due to be considered 15<sup>th</sup> January 2019 (after the date of publication of this report)

<sup>ii</sup> Note this would and will be a requirement for any project of this nature