

Report for:	Formal Shadow Executive
Meeting Date:	18 February 2020

Title of Report:	Ashwells/Bellfield/HQube
Shadow Portfolio Holder	Cllr Katrina Wood
Responsible Officer	Charles Brocklehurst
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Recommendations:	<p>To ratify WDC Cabinet’s approval of three linked projects:</p> <p>(1) Construction of infrastructure for Ashwells and its subsequent disposal as serviced residential development sites</p> <p>(2) Disposal of Bellfield for affordable housing</p> <p>(3) Development of HQube small workspace</p> <p>Including delegated authority to Officers to complete detailed terms of the contractual commitments involved.</p>
Corporate Implications:	<p>Funding for Ashwells and HQube is in the approved Capital Programme, as are projected capital receipts from Ashwells and Bellfield. Estimated rental income from HQube is in the future Revenue Budget. The three projects are linked by planning agreements. Ashwells disposal value relies upon Bellfield affordable housing which in turn requires HQube to be developed.</p> <p>The construction contract for HQube is awaiting sign-off, with start-on-site programmed for February 2020. Procurement is well progressed for Ashwells, with a preferred contractor programmed to be selected in March 2020. Heads of Terms have been issued for Bellfield; early exchange of contracts is advisable.</p> <p>Under WDC Cabinet approvals, there is delegated authority to Officers (in consultation with relevant Members), to finalise detailed terms and to enter into these commitments.</p>
Options: (If any)	The projects have long been in WDC Cabinet’s plans for new homes and small workspace. Each is supported by Full Business Case (in the Background Papers) which sets out Options, concluding that the preferred option is as recommended.
Reason:	Not proceeding would be financially detrimental.

1. Purpose of Report

- 1.1 These three projects were approved by WDC Cabinet last year and carry approved funding / projected receipts in the Capital Programme. Contractual commitments are due to take place within the next month. They were referred under the Spending Protocol for Sn. 151 Officer sign-off. He has recommended that the Shadow
- 1.2 Executive should be briefed, as the developments / disposals will largely take place after vesting day; the costs and receipts involved are material; and there are risks associated with their outcomes.

2. Executive Summary

- (1) Ashwells Residential Infrastructure Development;
- (2) Bellfield Affordable Rented Disposal; and
- (3) 'HQube' / Hughenden Quarter Upper Site Access Road Development

These three projects are linked by planning conditions (embodied in Legal Agreements).

- Ashwells is a 10 acre greenfield site in Tylers Green (Penn) for which a 'minded to grant' planning decision for 109 new homes has been gained. The latest projected net realisation value is set out in the Confidential Appendix.
- Bellfield is a 2.5 acre brownfield site, to the rear of Extra Care Charitable Trust's Hughenden Garden Village development, for which a 'minded to grant' planning decision for 68 affordable rented apartments has been gained on half of the site. The potential disposal value is set out in the Confidential Appendix.
- HQube is a consented 12,000 sq ft small industrial units economic development project on the other half of the Bellfield site. The development cost is set out in the Confidential Appendix (generating projected rental income, as set out in the Confidential Appendix). Both Bellfield and HQube are served by an Access Road that needs upgrading to adoptable standards.

3. Content of Report

- 3.1 Full details and indicative plans are in the attached S151 Sign-Off Reports.

4. Financial Implications

- 4.1 The Capital budgets are as set out in the Confidential Appendix.
- 4.2 The key financial risks relate to cost overruns on the enabling works, delays in the receipt of capital receipts due to planning and construction delays and the total receipt realised are set out below.



5. Legal Implications

- 5.1 Section 111 of the Local Government Act 1972 empowers the Council to do anything including the disposal of property or rights which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions. Section 123 provides that except for a short tenancy of with the consent of the Secretary of State, the Council shall not dispose of land for a consideration less than the best that can reasonably be obtained. Section 1 of the Localism Act 2011 provides the Council with a general power of competence to do anything that individuals generally may do, subject to the provisions of Sections 1 – 4.
- 5.2 The progression of these three linked projects enables the Council to meet its obligations under S123. The Planning Authority, through its planning committee has indicated it is minded to grant planning permission for the developments and delegated authority subject to the completion of planning obligation agreements which are likely to be completed by end February 2020.

6. Other Key Risks

- 6.1 Pro 6.1. Ashwells involves construction cost risk and market conditions risk. Construction cost risk is mitigated by sound project/ change management control (and adequate contingency). Market conditions risk affects ultimate disposal values.
- 6.2 Bellfield is a freehold disposal and with that, development risk is transferred to the purchaser.
- 6.3 HQube involves construction risk and letting risk. As for Ashwells, project/change management is key. The remaining contingency is not great (5%) but the construction contract has been tendered and is a fixed price design & build contract. The letting risk is market conditions/ rent levels dependent.
- 6.4 The construction cost risk for Access Road largely revolves around the need to install incoming mains services (water and electricity) and the cost and programme related difficulties of dealing with utility companies.

7. Dependencies

- 7.1 BCC's Director of Property and S151 Officer have been briefed on the projects. The former is taking a report to the BCC Property Board on 4 February 2020.
- 7.2 The projects themselves are interdependent. The value of Ashwells cannot be fully realised without its off-site affordable housing being developed at Bellfield and this requires the development of HQube.

8. Consultation

- 8.1 Public Consultation took place during the planning application process for each site.



9. Communications Plan

9.1 No communications plan is required. Local Members have been kept informed.

10. Equalities Implications

10.1 EIAs will form part of the detailed design/reserved matters planning application process.

11. Data Privacy Implications

11.1 N/A

12. Next Steps

12.1 Legal formalities to be completed.

Background Papers	Sn 151 Officer sign-off reports attached. 2019 February Cabinet - Ashwells Infrastructure and Disposal 2019 February Cabinet Bellfield Hughenden Qtr Upper Side 2018 March Cabinet Desbox and Hqube WDC Business Case Template
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