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# Housing Infrastructure Fund - enquiry HIF/MV/000292

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| Bid details       | Primary Local Authority<br>Project type  | Wycombe<br>Marginal viability funding  |
| Contact details   | John Callaghan<br>john_callaghan@wycombe.gov.uk<br>01494421142                       |  |
| Organisation      | Wycombe  |  |
| Scheme details    | Scheme name<br>Scheme description<br><br>Physical infrastructure<br><br>Site plan(s) | Princes Risborough Expansion Area<br>The proposal is for a major town expansion that will deliver nearly 2,500 homes, two primary schools, a new park other community infrastructure, and a relief road that is required to unlock the development and, by reducing traffic through the town, enable town centre improvements. Pedestrian and road connections across the railway will be improved complementing new employment land. As the largest single housing site within the district the expansion plays an important part in the overall Local Plan strategy to address housing need. With high housing demand, over 70% AONB, nearly 50% Green Belt, Wycombe is a constrained district and Risborough is itself constrained. The Plan seeks to optimise housing delivery within these constraints; the PREA is outside the AONB and the Green Belt, and has excellent rail links. Technical work has identified a requirement for infrastructure improvements; the delivery challenges are well understood and much work has already been done to address these.<br>Education, Health facilities, Road/highway, Bridge, Rail, Public realm works, Land assembly<br>Ownership Plan Princes Risborough (file: Ownerships Plan_Princes Risborough.pdf)<br>Southern Road Links Work Package with plans budget and programme (file: HIF Bid Drg Package 27-09-17 Submission Document.pdf) |
| Options appraisal | Problem being addressed<br><br><br><br><br><br><br><br><br><br>Options considered    | The PREA is a large scheme in an area of high housing demand with willing developers, however it relies on a first stage of infrastructure - the Southern Road Links (SRL) - to create access and allow development to proceed. The SRL also form phase 1 of the relief road. They involve high costs of land assembly, road construction and a replacement railbridge that will allow highway widening and realignment so as to overcome the traffic bottleneck (there is a signal controlled single traffic lane under the bridge). This will also improve pedestrian access to the station and unlock delivery of the PREA. With intervention it is possible to unlock development of nearly 2,500 homes and accelerate delivery of a material number of homes by at least 2 years. Whilst the overall development is considered viable , developers have indicated that initial phases do not create sufficient cashflow to fund the required infrastructure and kickstart delivery. An independent review has confirmed thi<br><br>A number of options to provide appropriate highways access for the PREA have been considered. A 2016 Options Assessment Report by Jacobs considered 17 options for a new road.   |

Selection criteria included cost, environmental impact and journey time. The preferred option for a relief road minimises the number of rail crossings required, is routed through the expansion area which it serves, whilst also being attractive to through traffic. It is the cheapest of the options shortlisted. The recent refusal at appeal for 500 homes on part of the PREA highlighted the highway constraints if major improvements are not made-; a key junction at the town centre has been assessed as being over capacity by 2021 even without development traffic. Local improvements options have been assessed and do not provide sufficient capacity and would underline delivery of the relief road, and would not be consistent with the vision for the town, nor reflect the wishes of the community.

If funding not secured

This would prejudice the delivery of up to 2,500 homes and undermine good place making and community confidence in new development. At best there will be significant delay in the delivery of housing if land ownership and infrastructure constraints cannot be unlocked more quickly. There will be considerable uncertainty as developers try to take advantage of existing marginal capacity, and avoid contributing to infrastructure. This would: - Add to traffic in the town and undermine town centre improvements - Reduce developer funding for the relief road as fewer homes would contribute risking the ability to deliver the whole expansion area - Result in piecemeal inward-looking developments that lack facilities and don't create cohesive communities - Risk the delivery of affordable housing and other community infrastructure as developers argue viability and seek to offset these against infrastructure costs.

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Strategic approach

Demonstrate strong local leadership

The scheme is for ambitious expansion of Princes Risborough and is the key allocation in the new Local Plan which aims to boost housing delivery by 35% above current plans in a very constrained area and with high housing demand. The extent of housing demand and affordability difficulties are evident in the ratio of median house price to median gross annual workplace-based earnings in Wycombe District which in 2016 was 10.72, high compared to the national average. PREA provides nearly 2,500 new homes that will increase the number of homes in the town by 70% and aims to create: "a modern, green and accessible market town - with a safe and vibrant community". Constraints elsewhere mean that more deliverable housing sites of this scale are not available. The Council has engaged and consulted widely with the public and other stakeholders and in 2015 created a Steering Group chaired by the Princes Risborough Town Council (PRTC) and involving local people and groups to guide thinking. The District Council also has a regular dialogue with local agents, landowners and developers. PRTC has taken a crucial role in representing the Community and accepts the expansion provided infrastructure is provided to cater for the needs of the growing town. The Council has worked jointly with the LEP, Highway Authority, Network Rail and others commissioning extensive technical work that has identified the: best options for delivery of essential infrastructure cost and feasibility of road and rail infrastructure; land and property required to deliver new infrastructure. The District Council has led on the production of an MOU with Network Rail and others that sets out an agreed approach to funding and delivery of rail infrastructure. Working

in partnership with Persimmon Homes, and others the Council has successfully resisted proposals for piecemeal development that do not make a fair contribution to infrastructure and which would undermine comprehensive delivery of PREA.

Demonstrate unlocking new & better homes

The PREA is an important scheme in an area of high housing demand and high development constraints that developers wish to deliver; however the SRL are essential for access to the first phases of PREA in a way that overcomes local highway constraints and forms part of the relief road that is a Local Plan requirement. Other options for the growth of the town are constrained – to the east by Green Belt, AONB and SSSI/SAC. This focuses growth to the west bringing a need for new railway crossings. The high up-front costs and challenges make it difficult for developers to deliver the SRL as these are required early on and before development can generate cashflow. By overcoming site assembly, delivering key sections of the SRL and reducing cashflow challenges that block new road access, the funding will act as gap funding and a catalyst for developers that are willing and able to accelerate development of the expansion area, support delivery of the relief road and thereby unlock the PRE

Demonstrate diversifying housebuilding market

Whilst the bulk of the expansion area is under the control of three main housebuilders (Persimmon Homes, Halsbury Homes and Bloor Homes), there are other smaller areas within the developable area that are not under their control and provide opportunities for SME's to deliver housing. These areas amount to around 375 homes or just over 15% of the total number of homes. One of these areas is now controlled by a housing association. The new Local Plan sets a policy requirement of providing 5% of homes on all sites above 100 dwellings as self build plots. In relation to the expansion area the policy for the site also seeks a significant proportion of the 40% affordable housing requirement to be delivered through a Community Land Trust. The combination of smaller parcels of land available for SMEs, self build, and a significant proportion of affordable housing all contribute towards higher overall rates of housing delivery, as identified in the Wessex Economics report.

Local MP(s)

Yes  
MP Letter of Support (file: MP Letter of Support for the Princes Risborough Scheme\_Sept 2017.pdf)

Your upper tier authority

Yes  
Buckinghamshire County Council Support Letter (file: HIF MVF Princes Risborough - BCC Letter of Support - FINAL.pdf)

Combined authority

Not applicable

All supporting Local Authorities

Not applicable

Local Enterprise Partnership(s)

Yes  
BTVLEP Letter of Support (file: AMS - Wycombe District Marginal Viability.docx)

Local community

Yes  
Town Council Princes Risborough Support letter (file: HIF Support Town Council.pdf)

Dev partner(s) (Infrastructure)

Yes

Network Rail Outline Delivery Proposal (file: Wycombe DC Outline Delivery Proposal.pdf)  
 Network Rail Delivery Programme\_Bridges (file: Summerley Road NR deliver programme draft1.pdf)

Dev partner(s) (Housing)

No  
 There are 3 main developers with an interest in the PREA, and at least 8 separate land ownerships. The main developers are: • Persimmon – a major volume house builder experienced in large urban extensions. • Bloor Homes - one of the largest privately owned housebuilding groups in the UK. • Halsbury Homes are the smaller of the three and are expected to deliver the first phase. Developers have been keen to bring forward development and the Council currently has a dialogue with all the developpe

Plan status

Plan adopted or submitted  
 How funding will help

Yes  
 It will reduce the risk of the plan being found unsound as it will give confidence that there are reasonable prospects for delivery of the infrastructure on which the housing is dependant. It will also increase public acceptability of the scheme going forward to the more detailed planning stages, and will help to reduce areas of dispute at the Local Plan Examination scheduled for summer 2018. NB WDC Cabinet has agreed the pre submission Local Plan before Full Council on 9 Oct, followed by 6 wks consultation. Thereafter the Local Development Scheme timetable is as follows March 2018 – submit to Planning Inspectorate for examination Jun/Jul 2018 – examination hearing Autumn 2018 – initial findings from Inspector Early 2019 – plan adoption

Economic case

Number of sites  
 Who controls the site

8  
 The PREA is in multiple ownerships with three main developers: (Persimmon Homes, Halsbury Homes and Bloor Homes). There are at least eight separate land ownerships of developable land. The Bloor land holding is a consortium of small owners. A plan of the major land ownerships is provided.

Total size of site 177 ha  
 Area on brownfield 13 ha  
 Percent is housing 97 %

| Local Authority | Number of Homes |
|-----------------|-----------------|
| Wycombe         | 2357            |

Total number of homes 2,357

Percent homes affordable 40 %

Projected housing delivery 2017 / 2018 0  
 Projected housing delivery 2018 / 2019 16  
 Projected housing delivery 2019 / 2020 40  
 Projected housing delivery 2020 / 2021 40  
 Projected housing delivery 2021 - 2025 585  
 Projected housing delivery 2026 - 2030 1,077  
 Projected housing delivery 2031 - 2035 577  
 Projected housing delivery future years 22

|                                    |  |
|------------------------------------|--|
| Full / Detailed                    | 96 (15/07349/FUL)  |
| Outline                            | 0  |
| Planning in principle              | 0  |
| Allocated                          | 0  |
| None                               | 2,261  |
| Homes delivered if without funding | 96   |
| Explanation for number delivered   | Without a first phase facilitating access and a school further phases won't be possible, as there is no way to access the site and local schools lack capacity. In the best case delivery will be delayed as other ways to deliver infrastructure are considered. A Housing Delivery Study (Aug 2017) compares early and later delivery scenarios and on 'a robust assessment of delivery rates' estimates by April 2025 330 fewer homes would be delivered if constraints are not unlocked. |
| Providing site valuations          | Yes<br>PREA site specific valuation (file: PR Risb Copy of 170725_HIF_Ready_Reckoner__final_revised_.xlsx)   |

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| Financial case | Funding amount                        | £12,000,000  |
|                | 2017/2018                             | £25,000  |
|                | 2018/2019                             | £2,072,000   |
|                | 2019/2020                             | £2,853,000   |
|                | 2020/2021                             | £7,050,000   |
|                | Total scheme costs                    | £510,020,000   |
|                | Land                                  | £47,590,000  |
|                | Infrastructure (including sunk costs) | £67,250,000  |
|                | Construction                          | £236,880,000   |
|                | Abnormals                             | £0   |
|                | Professional Fees                     | £54,000,000  |
|                | Finance Costs                         | £9,300,000   |
|                | Allowance for developer profit        | £95,000,000  |
|                | Other                                 | £0   |
|                | Evidence of assumed scheme costs      | An independent Viability Report into the PREA (March 2017) was commissioned from GVA and is the basis for scheme costs. The methodology takes into account relevant RICS guidance e.g. 'Financial Viability in Planning Professional Guidance Note. This forms part of the Local Plan evidence base and references technical work confirming relief road feasibility and costs incl. land costs (DRF September 2017). A works package for the SRL has been produced by DRF setting out initial costs and programme |
|                | Gross development value               | £587,700,000   |
|                | Private sale / rent income            | £521,200,000   |
|                | Affordable sales income               | £66,500,000  |
|                | Commercial income                     | £0   |
|                | Other income                          | £0   |
|                | Evidence of assumed GDV               | Affordable housing rents are based on housing allowance rates capitalised using 2.5% yield. Deductions are made for management 5%, voids & bad debt 10%, repair/maintenance 5% Shared ownership assumes 50% equity stake, rental charge of 2.75% is applied to retained equity then the same deductions  |

are made except for repair/maintenance fund. The rental income is capitalised using 5.2% yield and that is then added to the 50% equity stake.

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| Previous Funding Application                  | Yes   |
| Previous Funding Application Details          | The Council was awarded £222,000 from the HCA for Enabling and Development Support Capacity funding in 2017 set against £122,000 local match funding. This is being used to fund a two year Senior Infrastructure Officer Post to lead on Princes Risborough delivery issues as well as technical feasibility design and traffic modelling work to prepare a Site Masterplan and Phasing/Delivery Plan. These will be developed into planning guidance.   |
| Local Authority investment (inc. LGF funding) | Total: £1,200,000 Secured: £1,200,000   |
| PWLB loan                                     | Not applicable  |
| Other public sector investment                | Not applicable  |
| CiL/S.106 contribution                        | Total: £83,250,000 Secured: £0  |
| Private sector investment (inc debt finance)  | Total: £413,570,000 Secured: £0   |
| Indicative public sector investment           | 3%  |
| Aim to recover funding                        | Yes   |
| How intend to recycle                         | Yes. As first phases of development will not have to meet the cost of providing the SRL as a scheme cost there may be scope to secure additional s106 contributions from later phases of PREA development to recover these upfront costs. The Council would use these funds to accelerate delivery of the replacement rail bridge at Kimble that is essential to complete the relief road – this could accelerate later phases of development. This will be subject to agreement being reached with developers. |
| Cashflow plan                                 | File: Assumptions Note - September 2017.docx<br>Desc: Cash flow for indicative scenarios of phase 1, 250 homes and phase 2, 500 homes   |

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| Milestones & delivery                       | <p>Infrastructure planning permission granted 15/03/2019</p> <p>Outstanding statutory consents received 15/06/2019</p> <p>Infrastructure contractor(s) appointed 18/06/2018</p> <p>Residential contractor(s) appointed 18/03/2020</p> <p>Infrastructure works started 03/08/2018</p> <p>Infrastructure works completed 31/03/2033</p> <p>First residential units commenced 08/03/2021</p> <p>First residential completions 01/04/2022</p> |
| Infrastructure planning references          | A feasibility report including outline road and bridge design has been completed. An outline delivery programme has been provided by Network Rail Infrastructure Projects for the replacement of the railway bridge and associated highway works. Initial phases of safety works within highway boundary will not require planning permission hence infrastructure contractor appointed before planning permission granted.               |
| Engagement with contractors and procurement | Buckinghamshire County Council would procure a contractor through its own Framework Agreement or through another approved Framework such as the Midlands Highway Alliance. Consultancy services would be procured either through a similar framework or after a tender process to undertake design, investigation, site supervision, and possibly also contract management. Otehrwise this would be done by inhouse BCC                   |

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|------------------------------|--|
|                              | officers.  |
| Statutory powers obtained    | None at this stage.  |
| Statutory powers outstanding | 2017/18 Delivery of Services Agreed with Network Rail 2018/19 Outline planning app for first phases of expansion&road area submitted Secure planning permission for the replacement rail bridge 2019/20 Secure planning permission for road/underpass Secure any other statutory permissions required Infrastructure and residential contractors appointed First reserved matters app submitted for the expansion area 2020/21 Network Rail installs and builds new bridge. First reserved matters app granted |

Approach to delivery

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|---------------------------------------|---|
| Outline delivery plan                 | Outline Delivery Plan plus appendicies (file: HIF_Outline_Delivery_Plan_MVF Final.pdf)  |
| Plans to deliver infrastructure       | A joint District/County Project team will be formed and specialist consultants appointed to undertake work necessary for planning permission. A Delivery Services Agreement will be put in place with NRIP setting a programme to deliver a replacement railbridge and associated highway works. The appointed land agent will formally approach landowners and seek to agree terms. If rejected CPO proceedings will be commenced promptly. The Project team will manage the process and oversee land acquisition, submission of planning applications, coordinating with Highways and Planning officers as design works progress. During 2018/19 the local planning authority will progress the local plan and put in place planning guidance to confirm the framework for fair infrastructure contributions by developers. Delivery of infrastructure works will be coordinated with developers so they are ready to start first phases of housing. The Project team will manage procurement and inspection of contractors work. |
| Link between infrastructure and homes | Acquiring the land and providing key sections of the SRL will mean that the challenge of providing site access is one that is able to be met by developers of initial phases and so will overcome the main constraint on delivery of housing on the site. The cost and land assembly challenges will be very much reduced. This will allow development sites to connect to a realigned B4444 north of the new rail bridge and at the other end provide a link to further phases. Each section will be built to the edge of individual developer's sites so that further contiguous sections can be built by developers as they building further phases of development. This will be a condition of planning permissions to avoid frustrating further phases. This will avoid very significant lead in times affecting overall housing delivery. The issue for this site and housing delivery is not one of demand but about unlocking the key infrastructure to release the demand that clearly exists at the earliest opportunity. |
| Delivery partners working together    | The PREA forms part of the pre submission Local Plan for Wycombe to 2033 which has been approved by the Council's Cabinet for statutory consultation prior to submission by March 2018. The plan has the support of key organisations, notably BCC, Network Rail, and PRTC. The Council is well placed to coordinate the provision of infrastructure and development. It has an experienced and capable in-house resource to undertake and coordinate infrastructure planning and good relations with   |

the main stakeholders. The Council has established and/ or is represented at The Wycombe Programme Board A Steering Group chaired by PRTC that has involved local people and groups to help guide and inform thinking. In turn this has created various topic specific Working Groups that are also attended by Council officers. Regular dialogue with local agents, landowners and developers. An MOU has been agreed with Network Rail and PRTC concerning rail related infrastructure. Governance with NR will be agreed.

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|-----------------|---------------------------|---|
| Management case | Governance and oversight  | <p>Meeting quarterly, the Wycombe Programme Board provides governance and oversight of highways related schemes in Wycombe district that are delivered with joint funding and input. Membership includes two Senior Responsible Officers at Board level from each Council as well as relevant BCC and WDC Cabinet Members (for Transport and for Planning). Under the Programme Board, sit a number of Project Boards to whom individual project managers with delegated authority to manage delivery, budget and risks report. As part of the BCC Assurance Framework, each project follows PRINCE2 principles. This approach has a track record of success, including a £14m highway led regeneration scheme for High Wycombe town centre, A4010/Chapel Lane junction improvement (£2.25M) and Stocklake Link Road (£5M). The Council intends to enter a Delivery Services Agreement with Network Rail to secure the replacement of the railway bridge with oversight by the Programme Board and Network Rail.</p>                    |
|                 | Resourcing for scheme     | <p>WDC accepts that there may be a need for it to fund contingent risk or cashflow the 'gap' if funding is capped at £10m. It has in place an Environment &amp;Infrastructure team that includes 2 Infrastructure Officers - one a new appointment to increase planning and delivery capacity for the PREA - with support available from in Planning and other colleagues as need be. Within BCC is the Highway Infrastructure Project Team comprising 18 officers that procures and delivers major Highways infrastructure. A Project Board that includes Project Executive, Senior User and Senior Supplier will be appointed. This team will undertake ongoing tasks, and manage the project, coordinate with Planning Policy and DM and will commission consultants as needs be, e.g. to undertake detailed design, securing planning permission, tender and contract management. Based on recent experience of delivering similar projects a robust estimate of project management and delivery costs, is included in the bid.</p> |
|                 | Management and monitoring | <p>The scheme design and work to secure planning permission will be undertaken by consultants who have been selected from a Procurement Framework. At professional level the appointed Project Manager responsible for delivery of the new road links will report to the BCC Highways Infrastructure Projects Team Leader who will provide direction on communications, risk management, and will provide project and quality assurance updates to the Project Board. A CDM coordinator will be appointed. Contractors will be commissioned and delivered through BCC's procurement procedures, using existing frameworks including the TfB Alliance Contract and the Midlands Highway Alliance to ensure value for money. Value engineering principles will be adopted throughout.</p>   |



| Risk  | Mitigation   |
|---|--|
| Scheme cant proceed without third party land  | Early dialogue with landowners and timely CPO if needed.   |
| If planning permission is not obtained scheme cant proceed  | Good basis for planning permission. Scheme has support. Experienced team with board level oversight  |
| Construction of rail bridge with Network Rail is a complex safety critical environment              | NR have been engaged and they have produced initial delivery programme. MOU agreed for bridge works. |
| Overspend of the project budget would risk delivery   | The budget will be carefully managed. Budget makes appropriate allows for risk and optimism bias .   |
| Programme Delays  | WDC has a track record of successful joint working& will be appointed a qualified Project manager.   |
| If coordination does not take place with with developers housing will not be delivered to programme | Maintain open and transparent dialogue. Regular communications and share programme                   |

Project dependencies

Delivery of the project depends on: -Setting up a joint project delivery team which will require commitment of staff resources and agreement on -governance, roles and responsibilities between the District Council and the County Council. -The importance of replacing the railway bridge means that it will be necessary to formally commission Network Rail Infrastructure Projects to carry out further design and associated work. The pre submission version of the Local Plan has been supported by Cabinet and subject to full Council approval on 9 October will be submitted for Examination by March 2018. This formally allocates new housing development in the PREA. If the plan is found unsound at Examination or subject to major changes the town expansion may be called into question. A decision from the Inspector is expected by Autumn 2018. Land Acquisition will be required before construction works can proceed.

Section 151 officer sign off

File: Chief Finance Officer Support for Princes Risborough\_Sept 2017.pdf  
 Desc: Section 151 Signoff-Chief Finance Officer WDC-Princes Risborough Scheme

Supporting documents

Section 151 officer sign off

File: Chief Finance Officer Support for Princes Risborough\_Sept 2017.pdf  
 Desc: Section 151 Signoff-Chief Finance Officer WDC-Princes Risborough Scheme

Cashflow plan

File: Assumptions Note - September 2017.docx  
 Desc: Cash flow for indicative scenarios of phase 1, 250 homes and phase 2, 500 homes

Outline delivery plan

File: HIF\_Outline\_Delivery\_Plan\_MVF Final.pdf  
 Desc: OUtline Delivery Plan plus appendicies

Site plan(s)

File: Ownerships Plan\_Princes Risborough.pdf  
 Desc: Ownership Plan Princes Risborough  
 File: HIF Bid Drg Package 27-09-17 Submission Document.pdf  
 Desc: Southern Road Links Work Package with plans budget and programme

