

North East Derbyshire District Council

Cabinet

24 October 2024

Housing Development at North Wingfield (Whiteleas) Update – October 2024

Report of Councillor N Barker, Leader of the Council and Portfolio Holder for Strategic Leadership and Finance

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

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PURPOSE / SUMMARY

To present to Cabinet an update on progress on the housing development at Whiteleas Avenue, North Wingfield.

RECOMMENDATIONS

1. That Cabinet agrees to progress with the essential works required on the site at Whiteleas Avenue, North Wingfield under a Section 278 (S278) agreement with Derbyshire County Council (DCC).
2. That Cabinet recommend to Council the approval of additional borrowing of £0.849k for the essential works under the S278 agreement.
3. That Cabinet recommend to Council the inclusion of the changes to the scheme in the HRA Capital Programme.

Approved by the Leader of the Council – Cllr N Barker, Leader of the Council with responsibility for Housing

IMPLICATIONS

Finance and Risk:

Yes

No

Details:

The original budget for the North Wingfield project included a sum for S278 works based on initial assessments. However, the condition of the road has since deteriorated rapidly since work began on site, so the original provision is no longer adequate.

There is a risk to onsite delivery of the scheme and further delays may lead to additional contractual cost pressures.

The proposal to finance the additional funds through borrowing has been modelled through the HRA business plan and is viable. The Council's prudential borrowing requirements can also be met. However, should additional funds not be agreed then the project will need to be delivered within the existing envelope. Since the S278 works must be completed to allow the majority of the development be completed the scheme would have to be modified reducing the number of homes on the site.

On Behalf of the Section 151 Officer

Legal (including Data Protection):

Yes

No

Details:

The changes required under a S278 agreement is a legal requirement agreed with the Highways Authority (DCC). Any specialist advice required in relation to the scheme will be procured as required.

On Behalf of the Solicitor to the Council

Staffing:

Yes

No

Details:

There are no staffing issues arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>NEDDC: Revenue - £125,000 <input type="checkbox"/> Capital - £310,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
District Wards Significantly Affected	North Wingfield
Equality Impact Assessment (EIA) details:	
<p>Stage 1 screening undertaken</p> <ul style="list-style-type: none"> Completed EIA stage 1 to be appended if not required to do a stage 2 	Yes, appended.
<p>Stage 2 full assessment undertaken</p> <ul style="list-style-type: none"> Completed EIA stage 2 needs to be appended to the report 	No, not applicable.
<p>Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	Yes Details:

<p>Links to Council Plan priorities;</p> <ul style="list-style-type: none"> A great place to live well
<ul style="list-style-type: none"> Protect the most vulnerable people in our communities. Ensure residents have safe and good quality homes. Increase the number of homes for rent in the district. Reduce the environmental impact of housing in the district

REPORT DETAILS

1 **Background** *(reasons for bringing the report)*

- 1.1 In October 2019 Cabinet approved in principle to develop 70 new mixed tenure homes on vacant, Council owned land at Whiteleas Avenue, North Wingfield. This scheme and the associated financing was approved by Council in November 2019.

- 1.2 The original proposal was kept under review and following changes in economic and market requirements, a final revision was approved by Cabinet in June 2023. The final mix of 70 homes (48 affordable rent and 22 open market sales) are now under construction.

2. Details of Proposal or Information

- 2.1 As part of the planning approval, RHL consulted with Derbyshire County Council (DCC) to negotiate and agree the required highway agreement known as a S278 agreement. S278 is part of the Highways Act 1980 that allows developers to enter into a legal agreement with the Highway Authority (in this case DCC) to make permanent alterations or improvements to a public highway as part of planning approvals.
- 2.2 The original budget included an allowance for S278 works, with a reasonable assessment of what would be required. This included plane and relay footpaths, resurfacing the carriageway, and making good grass verges and vehicle cross overs where required. However, once construction was underway it was discovered that Whiteleas Avenue was in a poorer state than originally thought and as construction continued the road condition deteriorated very quickly.
- 2.3 As is the norm in any major development, the developer (RHL and Vistry) and highway authority (DCC) have worked closely to negotiate the requirements of the S278 agreement. All parties recognised that the road was not in as good a condition as should have been when construction commenced, but the professional opinion of the highway authority was that construction and development transportation had accelerated the deterioration of the road. Therefore, for the project to be fully completed the restoration works required under the S278 agreement would be responsibility of the developer. Some mitigations are currently in place including the closure of some roads to prevent further deterioration.
- 2.4 The scale of the work along with the technical specifications required to improve the road conditions under the S278 agreement have now been agreed with DCC, meaning work can commence. The additional works have been priced and independently verified at a cost of £0.849m. This cannot be contained within the original budget, so an increase is required, funded by additional borrowing.
- 2.5 The section of the road needing work directly affects only part of the development so some properties can be completed and handed over, but the large majority are affected by the works and without the additional funding, there is a risk to onsite delivery of the full scheme. Further delays to the scheme may also lead to additional contractual cost pressures.

3 Reasons for Recommendation

- 3.1 The housing scheme at Whiteleas Avenue, North Wingfield supports the Council's commitment in its Council Plan to build, acquire and facilitate the

delivery of more high quality social housing for rent in the district. The additional funding is required to allow completion of the site.

4 Alternative Options and Reasons for Rejection

- 4.1 There is no alternative to completing the S278 works which are essential to the completion of the development.
- 4.2 Deliver within the existing envelope. Rejected as the 278 works must be completed to allow the majority of the development be completed so the scheme would have to be modified reducing the number of homes on the site.

DOCUMENT INFORMATION

Appendix No	Title
1	EIA Stage 1 screening
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet, you must provide copies of the background papers)	
None	