

**Name of meeting** Cabinet  
**Date** 22 August 2017  
**Title of report** West Yorkshire +Transport Fund (WY+TF)  
 Land Acquisition Fund

**Purpose of report**

Cabinet to consider underwriting land acquisition costs until finance is subsequently secured from WY+TF and costs reimbursed. It is suggested that the Council establishes a rolling 'WY+TF Land Acquisition Fund'

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	Yes  All Wards Land Acquisition Costs may exceed £250k
<b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>	Yes  July 24 2017
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	Yes
<b>Date signed off by Strategic Director &amp; name</b>  <b>Is it also signed off by the Service Director - Finance, IT, and Transactional?</b>  <b>Is it also signed off by the Service Director - Legal, Governance and Commissioning?</b>	Naz Parkar - 10.08.17  Debbie Hogg - 02.08.17  Julie Muscroft - 09.08.17
<b>Cabinet member Economy</b>	Cllr Peter McBride Economy - Strategic Planning Regeneration and Transport  Cllr Naheed Mather Economy - Strategic Housing, Regeneration and Enforcement

**Electoral wards affected: All**

**Ward councillors consulted: None**

**Public or private:** Public Report

**1. Summary**

- 1.1 Cabinet to consider underwriting land acquisition costs until finance is subsequently secured from WY+TF and costs reimbursed.

**2. Information required to take a decision**

- 2.1 A report 'West Yorkshire + Transport Fund (WY+TF) - Scheme Principles' was submitted to Cabinet on the 9th February 2016 requesting Cabinet to consider a number of forthcoming sensitive issues which are likely to arise from the development of the Kirklees WY+TF schemes. One of the issues and areas of

sensitivity raised was the need to acquire third party land to enable scheme delivery.

- 2.2 The Cabinet report set out that the application of these issues on Kirklees WY+TF schemes which are mainly highway improvement schemes, will be included in future individual project reports as they are developed and presented to Cabinet for consideration/approval.
- 2.3 Projects and Programmes being delivered under the management of the West Yorkshire Combined Authority for the WY+TF, have to progress through five activity stages prior to achieving final scheme approval:
  - a. Expression of Interest
  - b. Case Paper
  - c. Outline Business Case
  - d. Full Business Case
  - e. Finalise Costs/Approval to Construct.

When the WY+TF was initially established, the Combined Authority determined that funds to acquire land would only be released for schemes after Full Business Case approval was achieved.

- 2.4 However this condition has now been relaxed and as such, we can now seek funding for the acquisition of land at the Outline Business Case stage which allows officers to commence negotiations with the land owners to try and secure the land, at an earlier stage which could be beneficial.
- 2.5 Whilst the Council will endeavour to purchase land in line with the available funding, there may be a need to secure land at short notice, for example where land or property comes onto the market and it would be in the Council's interest to acquire at that time. Such a situation could mean that acquisitions are undertaken potentially at the Council's risk.
- 2.6 As funding for acquiring land is deferred and based on costs incurred, the ability to draw down the funding from WY+TF will be given via a Funding Agreement which can only be claimed upon completion of the purchase.
- 2.7 This means that each project promotor (i.e. the local Authority) will have to put mechanisms in place to underwrite land acquisition costs themselves in the short term.
- 2.8 To enable the Council to underwrite land acquisition costs until approval for reimbursement is secured from WY+TF; it is suggested that the Council establishes a rolling 'WY+TF Land Acquisition Fund' within the Strategic Regeneration Capital budget with an initial allocation of £0.85m. The initial scheme in Kirklees where land acquisition will be required is the A629 Halifax Road (Phase 5) scheme, but other schemes will follow over time.
- 2.9 Under Kirklees Council's existing terms of Delegation, the Service Director - Economy, Regeneration and Culture has authority to negotiate to acquire land and property to the value of £250,000 or less; however, if the acquisition is for highway purposes, it has been normal Council practice to ensure that funding approval is in place so that purchases are not made at risk.

- 2.10 On occasions that land and property values exceed this delegated threshold limit, it is proposed to request in such instances delegated authority to the Service Director - Economy, Regeneration and Culture in consultation with the Portfolio Holder to negotiate to acquire land and property up to the value of £500,000, for WY+TF Schemes.
- 2.11 The fund will be monitored through regular finance reports provided to the Council's West Yorkshire plus Transport Fund Programme Board and to Cabinet through the normal Capital Plan expenditure reporting format.

### 3. **Implications for the Council**

#### 3.1 **Early Intervention and Prevention (EIP)**

None

#### 3.2 **Economic Resilience (ER)**

Resolution of land acquisitions at an early stage will enable road transport infrastructure to be brought forward within proposed delivery timeframes. This, in turn, will enable the development of housing and employment sites to support the future needs of Kirklees residents.

#### 3.3 **Improving Outcomes for Children**

None

#### 3.4 **Reducing demand of services**

None

#### 3.5 **Legal/Financial or Human Resources**

##### 3.5.1 Legal

The Council has powers to acquire land for highway improvement purposes under Part XII Highways Act 1980. The Council also has a general power of acquisition under Section 120 Local Government Act 1972.

##### 3.5.2 Financial

It is proposed that the Council establishes a rolling 'WY+TF Land Acquisition Fund' within the Strategic Regeneration Capital budget with an initial allocation of £0.85m. As noted at 2.6 to 2.8 above the Council funding requested is essentially a 'bridging loan' mechanism to allow land assembly for major transport schemes to be progressed to a point where the individual schemes can progress through the next stage in the WYTF approval process at which point the expenditure on land acquisition will be reimbursed. The reimbursed funds would then be used to replenish the Council funding pot to allow for a similar process on further land acquisition. The revenue cost to the Council will therefore be the opportunity cost of not having the resources used to fund land acquisition on short term deposit. Given current short term

deposit rates and the maximum exposure under the proposed fund of £850k this would equate to a maximum loss of interest of circa £8500 pa.

### 3.5.3 Human Resources

N/A

## 4. **Consultees and their opinions**

4.1 Not applicable at this stage.

## 5. **Next steps**

Subject to consideration of this report:

- 5.1 Establish, within the Strategic Regeneration Capital budget, a rolling 'WYTF Land Acquisition Fund' with an initial allocation of £0.85m.
- 5.2 Commence negotiations with land owners for land required to deliver the A629 Halifax Road (Phase 5) project.
- 5.3 Develop the WYTF A629 Halifax Road (Phase 5) project to Outline Business Case stage with a target date of October 2017 for submission.
- 5.4 Seek funding approval via the WYCA Investment Committee to continue scheme development in order to achieve Full Business Case status, which when accepted will permit delivery of the scheme.
- 5.5 Submit a report to Cabinet, seeking consideration of full scheme approval and implementation, authorisation in a similar timeframe to 5.4 above.

## 6. **Officer recommendations and reasons**

- 6.1 That the above 'next steps' be approved to enable the WYTF A629 Halifax Road Phase 5 to progress through to construction.
- 6.2 That the exercise of the authority for the Council to acquire parcels of land for highway purposes, where the acquisition price is between £250,000 and £500,000 be delegated to the Service Director, Economy, Regeneration and Culture to be exercised by the Service Director in consultation with the Portfolio Holders for Economy.

## 7. **Cabinet portfolio holder's recommendations**

- 7.1 The portfolio holders for Economy - Cllr Peter McBride and Cllr Naheed Mather were briefed on the 31 July 2017 on the content of this report and were in agreement with the approval of the 'next steps' to enable the WYTF A629 Halifax Road Phase 5, to progress through to construction and would ask that Cabinet do the same.

8. **Contact officer**

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9. **Background Papers and History of Decisions**

9.1 West Yorkshire + Transport Fund (WT+TF) - Scheme Principles Report,  
submitted to Cabinet on the 9<sup>th</sup> February 2016.

10. **Director responsible**

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