



## Hearing Transcript

<b>Project:</b>	M5 Junction 10 Improvements Scheme
<b>Hearing:</b>	Issue Specific Hearing 4 (ISH4) - Session 3
<b>Date:</b>	15 October 2024

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# TRANSCRIPT\_M5JUNCTION10\_ISH4\_SESSI ON3\_15102024

Wed, Oct 16, 2024 3:14PM • 1:53:12

00:05

Okay, it's 215 so if we can resume please.

00:16

Okay, I'll just check that the live stream and the team systems back up and running. Yep, super Thank you very much. And can I just check with the team at the other end of teams that they can hear and see me clearly?

00:38

I'm assuming they can, hopefully that is the case. Okay, we said this morning we would return after lunch to see what people's position was regarding sort of next stages of hearings and examinations. So if I can go to the joint councils in the first instance, please. Hopefully you've had an opportunity to have a conversation.

01:07

So I guess we're not joint councils. The Joint Council helping with virtual hearings. Yep. Thank you.

01:13

Thank you so and everyone else content and and in terms of the timetable, there's nothing raising any concern with anybody that. Sorry, national highways. Thank

01:28

you. So Sophie Stuart for national highways, our only question was around if written questions are issued on the 11th with responses on the 19th, and then we weren't clear whether on the 20th it's proposed to be either a ca or ofl hearing if needed, or whether it's an ish, because if it's an ish, it just struck us there's not much time the agenda will be out before the written responses to the written questions. I

02:04

I think when we originally drafted our notional timetable, we had it open as potential for compulsory acquisition, open floor and or an issue specifically hearing we're obviously obliged to facilitate the compulsory acquisition and the open floor at this stage. I think it would be sensible to keep the options open, but recognize that it would be a squeeze if there are items to get all three in. So what are you suggesting, then, that we might need to reserve two days, the 20th and the 21st

02:48

Yes, sir, perhaps that would be a good idea. I mean, if it's a compulsory acquisition hearing or an NFL, then fine, but if it is h I just think it would make sense if parties have had longer than perhaps a couple of hours to digest others written responses,

03:07

okay, is there anything further you'd wish to

03:14

No, sir, no comment on that that I can See that might be sensible approach. Okay,

03:20

thank you.

03:23

Anyone else want to raise anything further before we move back onto the main agenda? Okay? Thank you, everyone. Well, we'll, we'll take that under consideration. We will. We'll need to be sending a letter out early next week. In any event, setting out what we consider is going to work as well as it can for the examination, so hopefully we'll facilitate that. As I say, it'll be probably Monday or Tuesday next week. You

04:04

now I'm mindful that the way that the times the current agenda is set out, our final questions are on the flooding and water environment. We've got quite a lot to go through on the DCO and also on funding. So I was just wondering whether it would be beneficial to the environment agency team if we covered the funding issues now, sorry, the flooding issues now and then. Obviously, you're more than welcome to stay for other elements. You've obviously expressed some issues on the DCO, but if Yeah, so would that be helpful?

04:49

So no, no, because from the Environment Agency, yeah, that's absolutely fine. Yeah, yeah.

04:55

Everyone else content with that? Or is that going to cause difficulties?

04:59

I. Don't think it'll cause difficulties, but we need to find Mr. Mike Vaughn, who is the speaker. He's in the building. Oh,

05:06

good, yeah, sorry to pounce on everybody like that. Was just over lunch. We just thought it might be a sensible thing to try and accommodate which, okay, we'll just pause for a moment. I

05:27

whilst the applicant is trying to find the right member of their team, obviously, there was certain points that used the environment agencies raised on the DCO. Are there still matters on the DCO that you are outstanding? I'm just again, thinking about the agenda and the timing of matters. So

05:53

no in August, Environment Agency, yes, there's only one requirement eight on the draft DCO that we're still in discussion with the applicant, with

06:04

Okay, well, if then we deal with that immediately after then again, hopefully that will assist you and your team.

06:11

Thank you, sir.

06:36

Okay, you you set Yeah, so thanks for accommodating us. Hopefully it'll be resolved fairly swiftly, but I'll pass over to Mr. Regan. So it's cover item seven, flooding and water environment.

06:59

Sufficient time to plug in there.

07:01

Yeah, thank you.

07:06

Obviously, we're aware that there were some extra submissions with regards to the flood risk assessment and flood zone maps, which came in at deadline. Five could have just first, for the benefit of everybody, ask of the applicant to explain what those were and what they show, please.

07:28

Mike Vaughan for the applicant. So the updates that we made were two, really. One was to the flood risk assessments, where we formally included the mapping for flood zone 3b and we provided two extra maps in the appendix to that. One was the pure flood zone 3b which is the one in 30 year flood. And we also submitted another drawing which superimposed that onto the scheme such that the environment agency could see exactly where it lied in relation to the air covers on the link road. The second update was to the technical note, which concerns the ordinary Ward course down by Hayden lane. That was to address comments made by the Joint Council specifically looking for, actually, I think it was the Environment Agency as well, looking for sensitivity tests on the scheme modeling there. So we undertook sensitivity testing on Channel and floodplain roughness, which was on the baseline. We also described the impacts of future possible blockage of the coal that's there. And we also looked at the credible maximum flood, which is a requirement under the national networks policy statement.

08:47

Thank you. That was helpful. I'm aware that the Environment Agency had concerns in that respect, in your SOG item 8.7 I think which issued some concerns with regards to your then knowledge of impacts on flood zone 3b hopefully you've had time to see what the applicant has submitted. Are you able to provide an updated position? Please? Thank you.

09:11

Nori Narges, Environment Agency, we've reviewed the flood risk technical note and obviously the updated hydraulic modeling, and we're satisfied with the mitigation measures and everything we would just like to mention as a stafferton Brook is an order of water course, and we would consider local Ifa to advise on mitigation measures. And I would just like to ask John falls flood risk specialist if he's got any further comments to make on that. Thank you. John

09:47

Foles, on behalf of the Environment Agency, Mr. Fowles, you

09:50

need to put your microphone. Microphone down. I

09:53

do beg your pardon. John Foles, for the Environment Agency, yes, we've seen the additional drawings. That show where the culverts are aligned in relation to flood zone 3b so we have no further issues on that element. And I'm aware that our modeler has reviewed the updated sensitivity analysis on the Stafford and Brook. So as far as I'm concerned, I have no more issues with regards to the flood risk assessment.

10:22

Thank you. That's helpful. There was mention there of the of the local flood authority having responsibility with regards to mitigation at staverton Brook. Is the joint councils in a position to offer any any opinion on that? Please? So it

10:41

goes from night joint councils. Mr. Rob surles online, but I understand from Mr. Patton that we're not in a position to actually try clarification on that. Sorry

10:51

if we do repeat that last

10:53

bit. Aren't in a position I can provide a response and written submissions that would be fantastic. Thank

10:58

you. So

11:02

I think that with regards to the wider environment agency statement of common ground, if we're in a position where item 8.7 is resolved with respect to the impacts on flood zone 3b My take on it is that the only outstanding items relate to confirmation from the Secretary of State with regards to essential infrastructure. Is that a fair comment?

11:29

That's correct. So novice Environment Agency, yes, that's

11:32

That's correct. Thank

11:34

you. So is there anything else Environment Agency you wish to raise under this agenda item?

11:42

Nori Nagas, Environment Agency, no,

11:44

thank you. Has the applicant got any final comments they wish to make based on what they've heard?

11:51

My form for the applicant? No, no further comments.

11:54

Thank you. Applause.

12:07

So So Andy panford, the joint councils we have Rob Sewell online, who has a question that he'd like to pose, please,

12:22

Mr. Sewell, good afternoon, Sir Rob Sewell, joint councils, yeah, it's just really a technical modeling clarification, really on the updated flood risk technical note, just around the sensitivity test, where the one in 100 year return period is typically used these sort of studies for sensitivity testing for flood model. In this case, one in 20 year has been used, which can be there's a justification set out for for using that in terms of the greatest impacts in the modeling as seen at that at that return period, just just really kind of as the question really just to understand the conference level placed in that conclusion that there would still be a relatively lower impact at higher events where the modeling parameters have been changed.

13:19

Thank you, Mr. Saul, can I give the applicant chance to respond? Thank you.

13:25

My wrong for the applicants. So as Mr. Saul said, we have tested the sensitivity of the baseline model to both channel roughness and its downstream boundary at the one in 20 year flood, not the design event or the 100 Year present day event. The reason for that was because the modeling that had previously been undertaken demonstrated there were greater impacts in the small order events like the one in five and the one in 10 year, and that at the big events, the one in one in 100 and the design events, there were no impacts, so that the scheme is having more an impact in the more common, frequently seen events. And thus we decided to do the sensitivity test at those events, should there be higher flows? What would happen is the hydraulic effects get drowned out. The more water you get in the system, the impacts of things like roughness and boundary kind of disappear the more flows you get. So the actual sensitivity of the model will be less the higher flows. So we have tried to be precautionary by testing that up those smaller events.

14:36

Mr. Sewell, does that give you the answer you were hoping for?

14:39

Yeah, I think that's a comprehensive response. Yes, thank you.

14:46

Thank you for that.

14:50

Thank you. I think that goes as far as we wanted it to Under Item seven. So thank you for the contributions. Applause.

15:04

So then I'll just flip then to the DCO concerns that the Environment Agency had identified, which was, I think, really to do with adjustments that you were seeking to requirement eight, parts three, four and five, as set out in the statement of common ground at section 17.2, the applicants obviously provided quite a detailed response to that, explaining their position. So can you assist us in what your current position is and whether it's remains the same, or has it moved on at all?

15:41

No, in August, Environment Agency, um, yeah, with, we're happy with 8.3 for the original wording. Um, 8.4 we're happy for you to include the county planning authority on that wording.

16:00

And the only part is 8.5 I'd like to bring in my groundwater specialist, Richard bransma,

16:10

yes. Hello there. Richard bransma, Environment Agency, if I can take this item please, we like to push back a bit on the Suggested Wording for 8.5 and also perhaps address some of the concern the applicant seems to have with our Suggested Wording. We consider it very common to upon encountering contamination that indeed there is a risk assessment, a remedial strategy, and if there is

works required that there is not only a verification plan, but also, indeed a verification report produced to show the evidence that indeed set contamination has been addressed satisfactorily. I don't think that's onerous or unjustified. I think that's entirely in line with normal sort of local planning approach and planning conditions, and equally, any concern regarding our ability to sign that off in a sort of a reasonable time scale. Again, that's that's not an issue. We will deal with that if indeed the evidence provided is timely and comprehensive and satisfactory, then we will turn that round within, let's say, a normal two or three week consultation time periods. Furthermore, the issue around confusion, perhaps some of the wording, I think the applicant picked up on where we refer to parts of the development. I'd like to point out that those similar words have been used in 8.1 already and were unchallenged. And I think it should be clear that indeed, if there is any work required, it should purely address the area in question and not hold the entire road scheme, of course. So we would like to indeed maintain that our wording is, yeah, more more informative and more in line with what we would seek to achieve in case there is contamination to be addressed.

18:09

Thank you.

18:15

Thank you. It says it just in respect of 8.5 now that you would wish to see your preferred wording, as opposed to the

18:23

applicants. That's correct, sir. As Noreen pointed out, my colleague, we are happy with the original wording from 8.3 our Suggested Wording was in material, if you like. They didn't. We didn't suggest any significant changes. It's more phraseology we tend to use, but that's that's fine. 8.3 is fine. 8.4 indeed, upon inclusion of the county planning authority, then I think the applicant was happy to run with our Suggested Wording on that one, and it's just 8.5 we seek to have a bit more comprehensive wording to guarantee that, indeed any contamination will be addressed adequately.

19:07

Okay, thank you. Can I then come to the applicant to seek your views on that? Thank you.

19:15

Thank you, sir. Doug Haycock, for the applicant. So made reference to our submissions at deadline five, which obviously quite detailed on this. And I won't repeat those, I think we acknowledge the position set out by the EA on this verification point. And I think it's something we'll go away. And I think what when we need to have a think about it in terms of the specific drafting that's been proposed. And I think I just want to raise this in case it's relevant for when you're drafting your proposed DCO, the requirements three to five of the EAS response. I don't think we can pick and choose those. They have been drafted in a way, that the EAS wording have been drafted in a way and that they're internally consistent. So I think I. If we were to keep the applicant's proposed drafting of requirement three, I don't think we could suddenly revert to the EAS drafting of requirement eight four. I think that would just introduce sort of inconsistencies throughout. So what I'm proposing, sir is actually we perhaps need to go away and actually come back and have a think about proper drafting. It's just if we're starting to say



one sub paragraph is acceptable and another sub paragraph isn't just as a point of example, on paragraph eight, four, I know referenced, we referenced, we'd be happy with the county planning authority coming in. I think that comment was made in relation to only if the changes proposed by the year were accepted wholesale. So three, four and five, then we would need an amendment into into our sub paragraph four, but we're not proposing an amendment to our graph for absent any other change.

21:00

Just to help me. Can you take me to the actual section of the DCO so I can just read through your version and see what the environment agency's intentions are? Because in terms of the current timetable of examination, we're due to produce our commentary, if you like, on the current DCO. We're going to have to consider potentially revised DCO, taking changes one to seven in a very short window. So if this is another adjustment. How much we'll be able to sort it out? I don't know. So that's why I want to get as much clarity today as I can, if you thought possible. So it's page 42 is it right? Thank you. I

22:10

so just talk me through, Mr. Haycock, what your concern is about, what the Environment Agency is, is suggesting, if it helps,

22:19

can I bring up, I need to go through documents. Can I bring up the environment agency's proposed wording? It's not in our DCO,

22:26

yeah. Now I've got to try and remember where that is. I've got the reference certain written questions. Is it I

23:07

This might not work. I

23:27

Right. Okay, so the environment agencies on the left and the applicants DCO is on the right. If that doesn't work and that's too small, then we can flick and

23:37

if you let me know what the document references, then I might be able to get it onto my larger screen.

23:42

So that's the environment agencies is rep 4046,

23:53

cute, which page number in the document? It

24:00

looks like page five, sir.

24:07

Yeah, thank you

24:20

so your wordings?

24:29

The two wordings on the current wording proposed by the Environment Agency on the left, yeah, I would say from a starting point, doesn't tie in already with paragraphs one and two, okay, I haven't done a full cross reference on how I would amend that to make sure it does tie in right? Our rep five response pointed at some issues that we had in that wording. Yeah, I think, from our point of view, I think the core so Environment Agency has suggested I. Three different across their reps, three different amendments to this requirement at three different stages. The consistent approach by Environment Agency has been that they're looking for some way to ensure some form of validation into the DCO on the contamination the applicant has responded to that, and in part on each side of that, so I'm not going to be able to search, to take you through exactly the wording we would suggest here in response to the EAS wording here. That's just going to take a bit of time, from my point of view, of thinking that through okay, the app has provided its position in relation to validation. It's not being clear from the environment agency's submissions to date exactly why they wanted that validation. The information we got here in the hearing hasn't been presented in writing so far, and I'd ask for some time for the applicant to consider that, and we can introduce some wording if we feel that validation is needed, and respond to that as quickly as possible.

26:11

Okay, are you able to give greater clarity as to why you think the validation is necessary?

26:22

No. Argues, Environment Agency, can I just bring Richard Bransford back on? Please? Thank you.

26:29

Yes. Richard Branson, Environment Agency, I think the validation is indeed a final satisfactory step to show that the contamination has been addressed and we don't have to rely on future inspections or indeed possible court action to to, you know, as as a final backstop, I think it's common practice just to clarify that work have been undertaken and indeed it meets our requirements, and the scheme can carry On as or the development can be, can be undertaken as as planned. I don't think that that's an onerous step. If you go to the length of producing remedial strategy and indeed a verification plan, you might as well produce the evidence to show that you've met those requirements and then tick that off, as I say, that's very common in normal planning conditions anyway, and to say, almost like, you know, trust us that we will clean it up, I don't think that's that's adequate.

27:33

And have you seen what you're asking for in other DCOs?

27:42

And I haven't specifically answer addressed this issue before in a DCO. I don't know if my colleague Noreen, is aware,

27:52

sir, okay, thank you.

27:57

Noreen. August environmentations, No, I've not come across this before?

28:04

Okay? Because my understanding is that the iteration that the applicant is suggesting has been used in other DCOs, and they've obviously cited a number of precedents to that effect. So is, is there something particular here with regard to the risks of contamination, that would necessitate us taking a more robust line if that, if that's the right phrase, you're not given you. You're basically saying is you're not given that. You don't have sufficient assurance from what the applicant so far committed to, that you would be entirely confident that any contamination that might arise would be subsequently dealt with appropriately.

28:54

That's correct, sir. Indeed. We Our aim is to protect controlled waters and in the vicinity there are, of course, a number of streams, number of surface waters, as well as the underlying superficial deposits, which are classified as a secondary a aquifer, which will lead to rivers as base flow, or could be consumed as potable water locally. So that's our aim, to protect those those resources. And as I say, it seems a logical step just to clarify and validate any any cleanup where that is indeed needed. If the applicant is purely worried about possible delay by us having to sign off those requirements, then I can assure that that won't won't cause us any any issue, and it won't hamper the scheme. Okay, thank

29:51

you. I'll just come back then to the applicant to see if there's anything further they would wish to say at this stage,

29:59

I. Not so much. I just point out one of the examples we raised in our deadline five submission. So as the m3 junction nine, which was in close vicinity to the river itch and triple Si. So just in terms of that factual background, there's a similarity there as well. Yeah.

30:24

Okay, I think we've probably taken that as far as we can this afternoon. Are there any other issues on the DCO that the Environment Agency would wish to raise? No, sir. Okay. Thank you. Applause. Well,

30:46

okay, then if we go back to the main agenda, then if I'll come on to the DCO later. So if we can try and get back into step with item four, which is the funding situation. As we set out on the agenda, we were

really looking for an explanation that. Sorry, I'll wait for your light reshuffle. Yeah, no, that's fine. I'll pause. It was me mocking you lot about So, yeah, I

32:15

Okay, thank you. So in terms of what I'm trying to get to is to understand the timeline as to how you envisage things going forward relative to the build program and the funding program that sits alongside that. So if you're able to talk that through, so assuming the secretary of state makes a positive decision in June next year, if you can talk us through from from there, how you envisage it would work, both with the build program, but also the requirements that you'll need to sign off any licenses and additional permissions that you might need, and how the funding sits alongside that as you go, would be helpful. Thank you.

33:07

So start with Mr. Chris BG, the project manager.

33:16

So on the basis of a secretary of state decision in June 2025, we would expect to immediately commence works in respect of discharging requirements and securing necessary lands through the CPO process. Shortly after the the Secretary of State decision in June, we'd anticipate being in receipt of a final target cost proposal from our contractor at or around August 25 which would enable us to commence works or issue a notice to proceed to the contractual term in October 25

34:00

so Can I just pause you there then? So you're anticipating between June and October, you'll be able to have all your requirements discharged by that point.

34:13

Yes, we do. So obviously, we've got an ECI contractor working with us now and has good visibility on those requirements. So it wouldn't be the case that we would wait until June 25 to commence work on preparation of that. I don't think what I'm saying is that we would necessarily have to have secured every single discharge requirements, depending on the nature of the works we'd be looking to do early in the program, talking about those critical to that early stage of the works, similar with the land assembly.

34:53

So do you have a list then of the critical factors? Do. That you would need to have in place to allow you to do those initial pre commencement works,

35:11

not with me today. No, sir. Okay,

35:14

so that's something you'd be able to provide to us. Yes, that's

35:16

something we can take away and provide. Okay? Thank you. Applause.

35:24

So moving on. Then you're anticipating, then that the land assembly elements would be sufficiently concluded also by October 25 is that? Is that correct?

35:45

Yes. So noting that we obviously continue to make significant efforts towards voluntary acquisition of land. We are in control of large parts of the land at the moment, and as well as we're in highway authority in a significant amount of the scheme redeveloped existing highway land. We would proceed with the CPO through that period, June to October, but we do acknowledge that there could potentially be a staggered land delivery beyond that point to suit the build program. Wouldn't necessarily have full control of the land October 25 that wouldn't necessarily be a limitation to starting works in certain areas.

36:25

No. So it'll depend very much where the sticking point might be, which potentially is unknown at the moment, albeit you'll have a fair number of colored in which you've got agreement. It's the where the agreement is outstanding? Yes, yeah. So where the agreements outstanding? If you are able to give us a reasonable best prediction, then for the total resolution of the land side of matters, or is that just an unfair question, because it's too many imponderables.

37:16

We're speaking for the applicant. We believe we could have a position achieved by November 25 but for a number of practical considerations, it may well extend beyond that. Okay.

37:36

Okay, and you, you mentioned then your ECI contractor. I you're anticipating, then, that they would be giving they would be commencing, October 25 is that right? And is that commencement? Are you able to say where you're you would be commencing on what which element.

38:05

I can't say precisely where we would be commencing, but the intent at that stage of the build program would be to be working on pieces of work, including the establishment of site compounds, the mobilization of the construction team, ecological works, archeological works, site clearance, demolitions and utilities, diversions. It wouldn't be at that stage in intent to start the main construction activities.

Okay?

38:41

So effectively at that point, it's all covered by pre commencement. You've not formally commenced the DCO. I

38:51

imagine there'll be shades of gray within that, but, yeah. Okay, so

39:03

assuming that does commence in October 21 how long is that likely to do you anticipate that that taking

39:12

so Indicatively the work we presented through the ES chapter two talks about that stage extending into early 2026

39:22

and and is that still the case? I believe so yes.

39:33

So the reference within the latest correspondence to some delays of around three months doesn't affect that early 2026 prediction for the site compounds and so on, to be ready. No, okay.

39:57

And the funding for these elements so far affects. We would all fall within the envelope of monies available from Homes England. Is that right?

40:04

Yes. So we've we maintain and update regularly cash flow or expenditure forecast with Homes England. It's, it's part of the routine process that comes alongside the crime conditions, and so we have very good visibility of how the spend profile will play out. We anticipate that the HIF funding lasts us through to September 27 and that is achievable, that we spend the money by September 27 which is the current availability period, on that funding. So

40:44

okay, so after the compounds are established, the what, what happens next?

40:50

So as as is set out in the s chapter two, I don't want to vary the position from that, but effectively, we, we fully mobilize works on junction 10 and the a 4019, arguably, there's a delay of approximately a month to commence the link road works, although I've seen a reason why couldn't commence that at the same time. And then all three elements are being built sequentially all the way through to a Completion. Completion for junction 10 element and the 84019, by March 28 forecast, completion of the link road a little bit earlier.

41:32

Link road being concluded slightly early. I think now all that's reliant on you having all the money in place. So let's go back to the current position, and where we recognize that there is a shortcoming. So if even assuming that you commence the works, you've got your compounds in place, utilities adjusted, etc. What works from there, in light of your funding stream, because you've said to us also that you won't commence unless you're confident that you actually have the funding in place for the for the

whole so that's why I was looking to try and get this timeline for the works relative to the money, and at the moment, can You, can you assist us any further,

42:42

yes. So the intent would be that at all before October 25 we've had we'd have sufficient surety on section 106 so funding to enable GCC to take a decision to secure a loan through the UK infrastructure bank. That would give us surety that we have sufficient funding to complete the works at the point that we commence and issue the instruction to start the works.

43:16

You'll see later on the agenda, we've got some questions about how the bank work, so we'll come on to that. But I'm still struggling with how it all hangs together, because you'll have seen the letter from second of October from the joint councils about the planning applications, I Think.

43:54

And again, it's just trying to understand the relative position of your scheme relative to the planning applications, because that's what you're relying upon. And even if you get a fair wind and planning permissions are granted prior to October 25 you still have your safeguarded land position doesn't come into the equation until sometime later, as I understand it, and you accept that that leaves you a shortfall in itself. So I'm still struggling to see how you can make a start in the time frame, you're telling me you can make a start. And so this links me into the question two on our agenda with your homes England money, you're saying you can spend the money from them by September 27 and I'm struggling to understand. And see how you can when you don't have that confidence in the or in the planning approvals that you're relying on that are filling the gap. If that makes Hopefully, that makes sense.

45:19

I think the key point would be that it that GCC would need sufficient security to secure the loan, not that we would need full visibility on all of the agreements. We think it's reasonable to assume that by October 25 particularly sites a four and a seven would have been taken through planning committee, and section 106, agreements will be capable of being formed.

45:46

Okay, well, let's just take that hypothesis forward. Then that two planning commissions have been granted first, or it will be more than two. There's more than two. Um, several planning permissions have been granted on those two allocated sites, and a 106 contribution of something has been negotiated successfully. At that point, are you saying to us that because you've got that assurance through the planning permissions being in place that you would then at that point, seek the loan from the bank to fill the gap, to give you the confidence to make a formal start.

46:34

Yes, and we can go through more detail how the process with UK infrastructure bank gives us comfort and ability to be able to do that.

46:43

Okay, that's helpful. Thank you.

46:50

Can I just clarify one thing? Is it that the UK investment bank facility would be used to the equivalent value of the secured section 106 is, or would it? Would it plug any difference? Would it underwrite that the section 106 in advance of those being paid by house builders? Or would it make up? Make make up the the short form,

47:16

thank you.

47:19

It could do either depending on the payment profile associated with the section 106 that was secured. So the initial discussions we've had with UK infrastructure bank are in relation to an 80 million pound facility over a period of 15 years. 8080

47:40

helpful. Thank you. And are there any other consents and licenses that you need to get in place prior to commencing that might affect your timeline? Do

48:04

I don't think so, but we can't give a definitive answer on that today.

48:10

Can you consider that and let us know? Because there's obviously a number of protected species on the site certain limitations on timeliness can influence development, as we well know. And so again, it'd be helpful to understand, I think, what I'd really like from you is a little Gantt chart, I suppose, going through the various elements, showing your project profile relative to the dates and the trip points that you need to avoid, and how you're avoiding them tripping you up so you can make the progress that you need to make.

48:53

Be happy to provide that.

48:56

Thank you. So I'll come around the room. Then can I ask, in the first instance, blow homes whether they consider the what they've heard so far, the timeliness of that as being a realistic proposition.

49:21

Tony Weston for Bloor homes and persimmon homes. I think it's difficult to say. Obviously, there's been quite a lot of information given there. And I would quite like to see a Gantt chart too, setting out all of those things. My first view is it does seem wildly optimistic at the front end. Obviously consent granted in June would be good going there'd be a judicial review period. Obviously, there's a high risk of judicial review of recent DCO decisions, and then the exercise of compulsory purchase powers can take, you



know well, a minimum of three months, but more likely longer than that. So it does seem quite ambitious. This at the beginning, I think in terms of my clients, land coming forward at ELMS Park, a in allocation, a, four, I mean, subject to a timely planning permission been issued. Then we're obviously, we would hope to conclude the section 106 agreement fairly quickly. But then development wouldn't commence, probably until 2027 28 so obviously it depends on the terms of the 106 agreement that are agreed in terms of kind of when section 106 monies might be made available to fund these works, if that could be agreed so, but it could, but it could be some years away, effectively, because, as I understand it, the build program for that site is around 20 years we wouldn't expect to pay all of the money up front. No,

51:03

I can then come to the joint councils. Thank you for the letter of the second October. That's quite helpful. I just wondered whether there's anything further you would wish to add in light of what you've heard from the applicant. So there

51:16

is, there is actually Catherine Knight, joint councils. First, I will reiterate what was in that letter that the joint councils do actually support the scheme, the joint councils. And then I'll move on to the UK investment bank loan actually first, sorry, I should backtrack. The joint councils have no comment on the timings of anything brought forward. I think that's been set up by Bill Holmes. I would just reiterate Tony Weston's comment that funds under section 106 contributions are dependent on when a development's brought forward. The timing is usually at the commencement of development. Senior sir on the UK investment bank loan. So that's a matter between the bank and GCC. It's not a matter for the LPAs. The LPA is be a third party and not party to that loan. Section 106, contributions come into the LPA as we set out in that letter, sir, section 106 contributions are subject to the statutory test. Joint councils resort would also appreciate a chart, as suggested by yourself. The joint councils would seek a discussion as to alliance in the UK investment bank loan on section 106 funds. And I apologize if I have taken that out of contents, because they do not believe that funds can I'll call it prop up, but pay for a loan between a third party section 106 contributions.

53:09

So in the first instance, we invite the applicant to have a discussion with the LPA as to exactly what they're intending, and a reassurance that the UK investment bank loan will not include them.

53:31

Sorry, wouldn't include the Joint Council. Would not include the joint councils. Do you

53:41

have anything to it? Nothing more so.

53:50

Thank you. Are there any other interested parties who would wish to say anything further? Yes, national highways. Thank

53:58

you, sir. Sophie Stewart for national highways first, just to comment that's already been made. The front end of the program does seem a little tight, but we would remain optimistic, slightly moving away from the funding question, but it is in terms of the construction program. National Highways had a program shared with them in September 23 which showed a 32 month duration. The ES appears to be based on a 30 month duration, and based on what we've just heard from the applicant, it looks like we've moved down to a 28 month construction program from October 25 to March 28 and national highways, and we can take this offline. We just welcome some clarity as to where those four months are, where the efficiencies are found. To trim it down by those four months, it'd

54:56

be helpful to understand that that four month reduction.

55:04

The position is as set out in the ES chapter two.

55:12

Does that explain a previous iteration, or does it just go through the 28 month? I thought it was a 30 month window that was set out rather than 28

55:22

it goes through table two. One goes through the 30 month period, but it includes the pre construction within the 30 months. But that's as I understand. It always been, the position, and it sets out that construction starts however defined, month one and then month five, works commence. Month five. Link road commence. Month month 12. So it's always included, as I understand it, those early works, right prior to the full works, as it were,

56:00

yeah. So is facilitating an overlap within the program.

56:14

In light of you may not be able to answer this one who asked Bloor and the Simmons Anyway, you've had a planning application in for a number of years, and it's obviously embroiled to a certain extent because of the outstanding highway position. But are there any other matters that have been causing delay which might further influence the determination of the application? So I appreciate it. It's never a fixed thing dealing with planning applications, but just be helpful to understand better the picture. If we could,

57:04

Joe waters for broad homes and the Simmon homes, there are a number of issues to resolve, but they're not so substantial that they would delay things more than this being the most critical issue,

57:18

okay? And is the Joint Council position the same.

57:25

So Nick Bryant, herpes Council, yeah. I mean, I think it, I think that that is the principal issue that being said, Of course, there is a relationship to viability and therein, probably the consideration of all of those factors through the prioritization of section 106 asks and so forth through the determination of the application.

57:48

Do you have a proposed timeline for when you might take it to your committee? Good

58:00

afternoon. Sir trace burkins, Chatham Borough Council, we're currently working really closely with all the applicants in specific reference to the blow scheme. We're keen to make progress, and ideally we'd be in a position towards the end of the year to be able to look at dates for a planning committee. We haven't been able to do that because obviously there's a big hole that we're looking at at the moment in terms of what that section 106 package looks like. We also are negotiating on affordable housing as well at the moment, and that needs to come full circle into the viability assessment. So it is a little bit of a chicken and egg exercise. I think with a fair wind, we could probably be looking towards the end of the year in terms of trying to get a date forward, and that would be dates for both Cheltenham planning committee and Tewkesbury Planning Committee. And just to put that in context, we've got other schemes as well that we're dealing with. It isn't just the law and persimmon scheme. We've got the schemes at West Cheltenham as well, and so we're working on their trajectory as well at the same times, and they're at different stages in terms of their trajectories.

59:12

That's helpful. Thank you very much. I was just mindful that the blob Simmons scheme has been in for much longer than the others, and I just wondered if there was some other challenging technical issue that was holding things up. But I'm I suspect it's been complicated by coming in in advance of the local plan progress, and then, as you say, it's linked to a whole range of other things.

59:44

Tony Weston for blow homes and summit homes, I think our position would be that we are ready to go, and we have been pressing the local authorities for some time for a committee date. I think obviously this the DCS scheme and the funding position and the highways position. Is an issue, but it's one that we are trying to grapple with and resolve. We would be keen to know whether we were going to committee this side of the end of the year. I know no traces comments around kind of covid consideration towards the end of the year about a committee date, but certainly, you know, my client has been pressing for a committee date this year. We are keen to resolve this, and we feel that we are good in a position now where we could be determined at committee, and that certainly the quantum of the section 106 contribution we have been trying to make progress on that. We have made a without prejudice, offer to GCC and the other local authorities around proposal for how we might be able to secure a section 106 contribution towards the scheme. And again, we're struggling to kind of get some traction, I think, from from the local authorities on that. So it would be good if we could have some assurances that, you know, that will be progressed, and we will get a response on that as soon as

possible. And then once we have that response, we can obviously feed it back to you, but at the present time, we're not able to do that. It's

1:01:08

helpful. I mean, it's clearly not for us. It's just background information for us. Really, it's for the local authorities and yourselves to resolve your applications. But it's helpful to us to try and understand how it links into this DCO, particularly on the funding side, in terms of how your committees work. Is it such that you would do a recommendations committee subject to the conclusion of us, 106 with then probably the parameters that 106 in front of the committee to agree, or is that something left to negotiation within certain refinements? How does it work? Because presumably there's a time period after committee, makes a positive decision.

1:02:08

Thank you, sir. Tracey birkenshaw, tilt and Borough Council with these types of applications, because obviously, there's quite a lot of detail to work through in terms of the actual section 106 agreement itself, in general, we would be subject to a section 106 agreement being signed. So the recommendation is made, subject to planning committee approval of that recommendation, if it was one for support, and then that would happen subsequent to the application itself, and then decision ultimately given once that section 106 is finalized. However, we would be clearly setting out in the recommendation to planning committees what was going to be contained in that section 106 although every i and T would not be crossed and dotted at that point, no,

1:02:57

it'd be within certain parameters for affordable housing, education, highways, etc, yeah, okay, thank you.

1:03:11

All right. Does the applicant wish to come back on on any of those points at all?

1:03:16

I think just I appreciate this probably comes under your item five about the UK investment bank. But just to be clear, the discussions thus far are that that will be based on GCC financial standing rather than on the value of section 106 agreements. It would be that that would be the Sure it is. It were,

1:03:55

yes, it's the UK infrastructure bank, um,

1:04:18

thank you. So if I move on then to Roman too. Now I appreciate Holmes, England isn't here, but they've advised us that they've briefed you, briefed the applicant on their position so and they're going to give us a written submission in due course. So how far we'll be able to go with this? I'm not sure, but I it's really trying to get to the bottom of exactly what the score is with the deadlines of september 27 and then December 27 and what that allows for because I. Uh, spending the money is one thing it it seems to be that the money should be there for the construction of the the roads to facilitate the housing, and

so spending the money on other things, clearly isn't the way to go. So just, just tell me what those deadlines mean to you in terms of September 27 September 2027 and the December 2027

1:05:32

Chris Beatty, for the applicant, so the September 2027 deadline is in relation to an availability period. That's the period of time over which homes England have agreed with HM Treasury that the money will be drawn and utilized. The December 27 date is in relation to a contractual milestone as regards completion of the infrastructure identified by this scheme, we are actively in discussions with homes England around an extension to the December 27 date to March 28 and that is within their delegation to award that extension. And we understand, it's our understanding that that will be looked upon favorably.

1:06:22

Yes. So if you're able to get everything, all the ducks in a row, such the construction program can progress with a with a three month delay, you can commit to the contract for constructing the whole and have it concluded by March 28 within their delegated authorities?

1:06:48

Yes, that's correct, right?

1:06:52

Okay, so, and you're already in the process of negotiating that adjustment with them?

1:07:02

Yes, we've had conversations around it when I produce an evidence to substantiate that position.

1:07:07

Okay, so do you know when you might get a formal decision from homes England that they have agreed assuming they do that three month extension,

1:07:21

we would anticipate that discussion taking place over the next couple of months. It shouldn't be a long process. It will be decided by their approvals panel. It doesn't need an escalation above that.

1:07:37

I guess the key for me is, or for us, are we likely to see that before the fourth of December?

1:07:45

We can certainly take that aspiration away.

1:07:49

I think it could be quite beneficial, bearing in mind, it's then something formally in front of the Secretary of State, rather than a hoped for. So my my sort of follow up to that is, if it's a slightly longer delay, which seems to me, is still a possibility, and it goes beyond March 20 8am, I right in thinking that that

would go outside of the homes England delegated authorities, and it would then need to be referred back to the department and the Treasury.

1:08:37

That's Chris BT for the applicant. So we have some word into this effect in response to the agenda item, but said Holmes, England will respond separately. So it is feasible for us to request an extension of the HIF fund and availability period to a later date. We've been advised that a request to extend the availability period within the financial year in which it currently expires. In other words, an extension from September 27 to March 28 in respect of the availability period is likely to be easier to accommodate than a request for an extension into a subsequent financial year at this point in time, any requests would be considered and decided by mhclg and HMT. So it would be above level of delegation of homes England.

1:09:35

And so my understanding, therefore, homes England would make a recommendation to the HIF delivery board, and then that would subsequently be referred to HMT for consideration a decision. And this has happened previously on this scheme, because there was an extension period which was referred up to HMT and mhclg. The and in the as I understand in the wording provided to us, from from homes England, they say they've supported the applicant through the material amendment process on this project in the past, and there is reference to commitment to delivery of the scheme from from homes England, I think also from mhcl, mhclg. But they will provide that wording precisely bearing in mind, this is a scheme that is referred to expressly in the road investment strategy too, which is a marker of its potential, of its significance, I'd suggest,

1:10:47

yeah, the the the two dates at the moment, September 27 and December 27 you if it's being referred if it was extended to March 28 got that right, haven't I? That's for the spending of the money rather than the final conclusion of the contract. So you've actually got a six month window of extension

1:11:22

till talk, we're talking about two separate things there. So the near term revision to the terms will be to extend the completion date only to March 28 the second part of the address which we've given on behalf of homes England today is in relation to any change beyond that, be it the availability period or the completion date.

1:11:47

So if either of those two dates go beyond March 28 it has to be referred to the Treasury and the ministry.

1:11:59

That's our understanding. Okay,

1:12:01

thank you. That's helpful. Appreciate your been put in a slightly difficult position, but hopefully the letter that they send Through will align with that.

1:12:18

Okay, no. Thank you. Applause.

1:12:40

All right, and then, if we move on to Roman three, we asked a written question at certain written questions, and it was clear it wasn't phrased as clearly as perhaps it might have been, because you weren't able to give us a clear answer to it. So hopefully, in asking now, we'll get some clarity. And what we were trying to get at is effectively two strands, and it's in relation to the safeguarded land. And what I'm trying to make sure that we've properly understood and that you've addressed, is any consequential effects of compensation that might be payable in the event that either a ransom strip arose, or if there is any difference if two parties are involved. So what I'm saying in the first part, the county council has a parcel, or land at the front, which is also included in the safeguarded land as a possible future development parcel, along with the land that is an option for blow homes. So the way I would look at that, if that becomes allocated in due course, both parties would be subject to section 106 contributions, equally across the board, as the county council as a developers, blow homes as the developers, it would make no difference in terms of any financial contribution that may arise is that an agreed position,

1:14:31

so that's certainly our position that that wouldn't make a difference. Doesn't depend on the identity or the number, because the contributions will be coming from whoever made up the land ownership of the area in question,

1:14:51

Tony Weston for the for Bloor and Simon. I think that must be right. So the section 106 contribution will be calculated by reference to the Duff's. Scale of the development, as opposed to the number of owners of that development site.

1:15:06

So the only distinction would arise if the safeguarded land could only be accessed via a limited access which is controlled by a third party, and therefore that third party has a ransom situation and could effectively command greater profit on the basis of that, because they would have rights on the land beyond their frontage. But it wouldn't affect the 106 contributions. Ultimately, I don't think it would just affect the proportion of what was being paid and the amount of profit that would go to either party.

1:15:58

Tony Weston for blow and for some men, I think it's really hard to thinking those terms, because that would almost be to look at it quite simplistically. I think the reality is that obviously there would be commercial arrangements between different landowners, and what might be payable for a ransom might have no bearing on what a section 106 contribution might be. And similarly, if you then had a situation where I don't know the developer was being promoted, development was being promoted by

another party who had to pay a ransom to another landowner, then that might affect the viability of the development. So it might have an impact on the section 106 contribution. I think the two sums are also potentially calculated at different points in time, so the ransom might be payable, you know, far in advance of the 106, or vice versa. So again, I think it's very difficult to look at it and think actually the two will cancel each other out. I just don't think it would work that way in practice.

1:16:55

Okay, well, I'll come back to the applicant in a moment. But my final point really is, if a ransom strip, if a ransom situation arises that would otherwise not have arisen purely on the basis of the compulsory acquisition side of things, would the ransomed party be liable to compensation for your hope value.

1:17:24

And if that is the case, has that been considered as funding that you have in place to pay compensation? I

1:17:40

appreciate it's not us that decides this. It's the lambs tribunal and ultimately, if it gets there, but I just want to make sure that the applicant has thought that through and has the funds available in the event that's a an eventuality, and I don't know whether it is, so I'm hoping you can assist me.

1:18:00

So I think I'd need to reflect on that. I mean, that's really a matter for compensation. It depends on the arrangements between parties which we are not going to be cited on at this particular point. And as indicated earlier, it may be in any event that in the existing situation, any access for development would in any also depend on going through another party's land. So there are a number of issues there, but ultimately, I think the way you expressed the beginning is the correct one and and we don't see that any different approach is is certainly hasn't informed the way in which we've currently assessed matters.

1:18:57

I think I may not be helping because I'm probably confusing two issues. So if we just deal with the 106 side, I think we've answered that. I think where there's a there's a clear position, but the compensation that might be payable on the back of compulsory acquisition, what I'm trying to understand is whether, as the applicant, you have assessed the possibility, and I it maybe you don't need to, but I'm not clear enough on the rules on this of having to pay compensation that might be payable if a ransom strip arose on the back of your compulsory acquisition For what is quite a large parcel of land. Now it may be that it wouldn't be payable because it's safeguarded, it's not allocated or but you understand where it

1:19:54

may be that the value of the ransomed land insofar as that. It is acquired or injuriously affected, is diminished by the fact that they It's a need to pay a ransom payment, hypothetically so that might, if anything, diminish the compensation payable. But I'm very hesitant about being drawn at all into the that world in this in this context, but that's how I seek to answer that at the moment,

1:20:27



are you able to advise in terms of whether, well, what is your view, in respect of whether you would be liable to compensation in the event a ransom occurred on the back of compulsory acquisition, and on what you know,

1:20:48

Tony Weston for Blore, I think it's very difficult to say on GC C's own program, they're looking to exercise compulsory purchase powers very quickly. So in October 2025 so you could end up in a situation where, effectively, the vesting date and the valuation date of that land is around then, kind of October 2025 or certainly next year. And as you've already alluded to, that the land, the safeguarded land, is safeguarded. It's not allocated at the moment. So there may be some compensation that might be due on the basis of Hope value, but I couldn't say with any certainty, because it would depend on the circumstances at the time. It would also depend on the quantum of the land that had been acquired. So I think it is very, very difficult to give a definitive response on that.

1:21:39

Does it only affect directly the land acquired, as opposed to the land beyond.

1:21:44

So potentially, where you haven't had any land acquired and you've got Land Beyond, then you may have a claim for compensation. There are provisions within the legislation, and that might include some element of injurious affection to land outside the acquired land. But again, we haven't really, I haven't really looked at it or considered it in detail at this time. So I wouldn't want to commit and say that that was my definitive view. Thank you.

1:22:13

So one needs to disregard the scheme, of course, in this process. So insofar as ransom relates to the to the scheme that still doesn't fall to be taken into account in compensation. But again, I'm hesitant to be to find the applicant in any way by anything I'm saying about compensation.

1:22:39

Well, I think if I can ask both parties affected to give thought to that so and then come back with written submissions, because whilst I don't want to get into the realms of Lands Tribunal at all, I want to make sure that we're not missing a trick in dealing with the DC and advising the Secretary of State appropriately about your funding for compensation and that you do have the necessary funds to cover all eventualities. Thank you. Applause.

1:23:33

If people are okay to continue, if we can perhaps go on to the next couple of questions before taking a break, we'll see how we go. But unless everyone is anyone's in struggling, then I'm proposed to carry on. Okay, fine, we move. Then on to Roman four. Obviously, we've had some discussion in the past about the relative cost of the project and national highways obviously expressed concern about how it was being costed before. So just like to see from both national highways and the applicant what the latest position is, and if you can give us an explanation of what the current situation is so if we can come to national highways in the first instance,

1:24:25

thank you, sir. Sophie Stewart, for national highways. Since this last matter was this matter was last put before you some positive dialogs taking place between the parties that's continuing. There are a couple of clarification questions that are currently sitting with the applicant, and when they they come back, we're hopeful that the two respective finance teams can come to a position that we can then put back in front of you for the next deadline. Do.

1:25:02

Are you in a similar position?

1:25:06

So yes, I think that's a fair summary of the position. And so we're hopeful of reaching agreement.

1:25:12

Okay, and are you able, at this stage to give us any indication of what the degree of variance is?

1:25:20

I can't put a quantum on the degree of variance the two areas, and I think one of them may be close to resolution is VAT treatment on costs and also the percentage that's being applied for inflation. But in terms of putting an actual number on what the difference is, I'm sorry, Sarah can't at the moment, I

1:25:45

um, it's good news that it sounds like it's progressing positively, but I think if we don't get a an agreement, we will need to have that level of detail to understand the discrepancies Between you and and why you say you're right, so we can have a more informed position at the end. That's

1:26:07

Understood, sir. And obviously, if we're not able to the next deadline, that's something we'll bring forward for you. Great.

1:26:12

Thank you. Thank you. I'll just open that up to the room. Does anyone else have any issues or concerns about the costings of the scheme, or anything further on that side of matters. No, okay, thank you. So Roman five, then we've obviously mentioned this UK infrastructure bank. It's not the investment bank, so I've got the title wrong in my yeah heading, but if you can just explain a little bit more about the process that you'd be going through and the timing of that again, it would be helpful to understand

1:26:54

how that works.

1:27:01

Yes. Chris Beatty or the applicant. So Council has been exploring the potential for securing a loan from the UK infrastructure bank as an option to ensure that it has necessary

1:27:14  
funds to

1:27:17

complete the works and that that loan facility will be in place in the relevant time period to support the start of the works. UK infrastructure bank is an executive, non departmental public body sponsored by HM Treasury, and was set up to support local growth and help infrastructure projects by offering a range of financing tools, including loans. So we've had exchanged a number of emails and had a meeting and the back end of September with the team there UK infrastructure bank in relation to putting a loan facility in place called 80 million pounds on the basis of a 15 year term, we set out a high level summary of the scheme, its objectives and the rationale for seeking a loan and forward fund the delivery of the scheme for section 106 payments are received. There's now an internal process which ukib need to undertake to assess GCC financial covenant in relation to the loan facility which GCC would be requesting. So the emphasis there that obviously the loan is assessed against GCC financial standing and is not dependent upon the section 106 contributions. The investment bank. Sorry, the infrastructure bank has advised that GCC is speaking to them earlier than would normally be expected, given that any loan facility is not required for some time, it's happy to work with us and move things forward in the event that GCC does pursue the loan, the preparation of the necessary loan documentation and approval process typically takes 10 to 12 weeks.

1:29:15

Furthermore, the infrastructure bank advised the applicant that this would be best done after securing the necessary consent for the project. So in essence, we would be working backwards from our notice to proceed date and that 10 to 12 week period as to when we would initiate actions to take out and secure the loan. So

1:29:45

So specifically, that would be during the period July to September 25 which would enable the facility to be secured by October 2025 it was confirmed by UK IB that the facility could be agreed at that point. Point in time, even though drawdown was not required until September 2027 so you have an agreement for the facility to be in place, even though the draw on that facility is unforeseen for some considerable time, and that obviously enables us to fully draw and exhaust the hip funding that's been assigned to the project. So that would give us the confidence with the notice to proceed, knowing that the facility was secure, and it would also give comfort to other parties, including national highways, that once we commenced, we were able to fully complete the works. So and

1:30:46

the discussions have been positive, and obviously being able to arrange a facility, but with no requirement to draw until the funds are needed, limits the incurrent of interest, obviously something that's attractive, and it presents the council with a very genuine option for forward funding monies for the latter part of the scheme.

1:31:11

Should such monies not be available at the appropriate time from other sources? Do

1:31:24

whilst council would be expecting section 106 monies to be committed for use in repaying any draw on the loan facility, having a facility which is secured against GCC, rather than that specific source of income, does give GCC additional flexibility around the range of funding options that could be explored at the appropriate time.

1:31:48

Please, no, just check a couple of the dates you mentioned then again. Please. Please correct me if I'm if I misheard them, I think you mentioned that you were working backwards from September 2025, in terms of having that loan facility secured? Is that correct?

1:32:06

I think I might stated October, but the point would be that we would need that as part of the notice to proceed. Yeah, we would need it secured ahead of making a decision to issue a note there

1:32:15

would need to be secured September 2025, and then I think you worked back from that, and you indicated that it may take three months for the UK infrastructure bank to process the paperwork and approve or otherwise the funding, so that then puts is it then your intention to submit your funding request For the loan in June 2025,

1:32:42

it would be yes.

1:32:43

So in terms of where we are with regards to this examination and the end point of it, what do you think we could possibly have in terms of comfort that you are making progress with regards to that loan in advance of you actually submitting the formal Loan request next year in June.

1:33:13

Thank you, sir. Jason, home for the applicant, I think this is a matter of the timings in terms of getting a loan in place, and the whole reason that we're looking to take that loan. So we've heard about the positivity from laws. We've heard about the ongoing discussions with the LPAs. We know about the funding gap, so the provision of the loan, or at least setting the loan up, would be on the basis of filling that gap, if we have that confidence with the loan that also allows us to progress the works without necessarily the need to extend the availability period for homes England now the level of confidence that we will Have between now and next summer around securing options around the section 106 gives us the ability then to have confidence in taking out, potentially the full loan through the UK infrastructure bank, or setting it as a maximum at 80 million, or potentially drawing that down to a lower level, depending on the progress that we've made, in terms of the the confidence around the the section 106 monies Now, depending on what, which of those come come forward, depending on some of those earlier conversations, on some of the later parcels of land that will give the county council the

confidence to be able to take out a loan over a set period, the more we have established in terms of might not dotted the I's or crossing the t's, in terms of precise details around section 106 but we've established key principles and key amounts and key durations for that that allows us to understand what our payback period would be. And. For for that loan as well that de risks the taking out of that loan from from the county council, and de risks it down from, from from the 80 million. So the early discussions with with UK infrastructure bank would be on the basis that that we might need all of it, but we'd expect some of those positive conversations over the next year on some of that positivity that we've heard in terms of those ongoing discussions to help de risk that that it may be below the 80 million. If we look at the worst case scenario in terms of the the 80 million, we know that that that servicing, that that loan, could be around 3.7 million per year. Now that's a considerable amount of money. However, if we look at the County Council's turnover at about six 60 million, that is a small percentage. It's about point 6% of our overall turnover. We also have the ability to look at our position on reserves as well. If we needed to bolster up our confidence in terms of that, that that initial payback, clearly, there's a lot we'd need to get in place with confidence around forward payments and confidence around the loan before we would be comfortable on pressing the button on the scheme. But that's our strategy at present. Yeah,

1:36:14

that's helpful. But I suppose where we were coming from with it was,

1:36:21

obviously, we have a fixed examination period, which ends in the beginning of December. We've heard discussions today about viability of developments coming forward, and the perhaps being some uncertainty about what level of revenue could come forward from that scheme. We've heard that you're saying that the you wouldn't necessarily have any certainty of the UK investment bank application until next summer. I'm just trying to understand where that puts us in the Secretary of State, with regards to our decision making, time scales, with regards to how much certainty we can have that there is the required funds in place to cover the scheme. Thank you.

1:37:02

Thank

1:37:03

you. Jason home for the for the applicant, I think the confidence that I would like to give is around our ability to borrow the maximum amount if, if necessary. So it isn't secured, as we've heard earlier, against future future money than section 106 it's effectively secured against your turnover as a county council, and our level of, if you like, financial security as a county council and the UK infrastructure bank are at least in those initial discussions, pre application are comfortable, and that we could Meet and effectively underwrite that amount at this stage, obviously, there is an application process to go through, so I think the confidence that the money could be borrowed, I'd like to give the challenge for us is to as a county council, to be able to get as much in place in front of that, to be able to de risk the process for the county Council being left with a with a with a sizable loan and ongoing interest payments that would reduce over time, but would still have an ongoing burden. Now, part of this is also dependent on the really positive discussions we've been having with the LPA is about getting a future

establishment in in policy and for the payback mechanism as well, because clearly that de risked the element that the county council would have taken on alone, whilst it might reduce but might rest in perpetuity with us.

1:38:38

That's helpful. Thank

1:38:39

you. I'm just thinking some of those comforts that you obviously have internally about your ability to effectively secure that level of funding. Is there anything that you think could be submitted to the examination that could give us some further information and comfort in that respect?

1:39:00

Jason Hamm for the for the applicant, absolutely, we'll, we'll take that back and see what we can provide as a follow up.

1:39:07

Thank you. I mean it. If the bank is willing to send a letter confirming what you're saying, then I think that would be very valuable, you know, because then it's coming from them, rather than just from yourselves. You know, we would be able to give that a far greater weight. I would have thought just in terms of clarifying the position, then bearing in mind that the position on 106 is is fluid at the moment, and having heard what you've said about uh, trying to de risk the situation as much as you can and have, would you still be waiting for permissions? To be granted, and 106 signed before you commenced the work on the scheme.

1:40:10

Jason ham for the applicant, I think that would be that's clearly going to be a decision at senior level and cabinet level, within, within the county council, in terms of the level of risk that we we'd be willing to take, I think, from my perspective, this, this is an incredible opportunity to to land a unique scheme that brings a massive amount to the whole community and facilitates 8000 homes, 8000 new jobs, a huge amount of flow back into the local communities, through through SME provision, through through social value, that opportunity wouldn't want to be missed. The level of comfort for our members in taking such a decision is that we recognize growth will come forward at some point. I think the challenge that we've had is establishing precisely when that is and the timescales over which that will come forward. Now, providing there is a policy provision to, if you like, replenish or repay those funds. I think we'd all be confident around the table that this area will come forward as assuming the DCO needs to get approval. I think we'd all be comfortable that that will come forward at some stage. So the de risking over the next year is to give our members the comfort about the longevity of those interest payments in relation to the cash flow back into the council. I think the question of whether development will come forward in that area, should the scheme Go ahead, I think we'd all be entirely confident with but what we're struggling to do is, is, and you've questioned us on is, is to precisely join the dots in terms of the timescales at the moment.

1:42:05

I mean, one of the things that I would be concerned about if I was in your position, and potentially the local authorities position, is, if you've started work and the 106 is weren't in place, would you then still be able to ask for monies for something that's being built, answers on a postcard. That seems to me that that might be as big a risk as anything, unless there is some sort of legal avenue that you can go down, because obviously, CIL rules apply to 106, contributions. And if you're providing the infrastructure anyway, how could you ask for them

1:42:52

and Jason ham for the applicant? I think that's precisely some of the discussions we've been having with the LPA in terms of what policy provision is, is available. And we've had similar discussions with with homes England, and I suppose it was do look but now mhclg, the HIF funding process is not unique. It does exist elsewhere. We are not at the front of the queue for this. Others have been provided. What we haven't yet been able to to entirely cement is the process by which that happens, that there is, there is a recognition, through ourselves, home and treasury, that the whole ethos of the HIF funding is to forward fund to allow development to come forward that otherwise would not have been able to forward fund itself. Now, having established that principle that establishes that you pay up front, allow the development to come forward, and then there is the ability to repay or replenish that funding, I can't sit here and say I understand precisely how that will be. What I would say is the HIF process is established. There's a keenness that HIF works both through homes England and mhclg. And we also have a very strong national context in terms of current government's aim and requirement to help lever and deliver growth in terms of housing numbers as well. So the timings are quite positive for us as well.

1:44:27

Okay, thank you.

1:44:33

I think in light of everything that we've heard, it's probably going to be appropriate to request a revised funding statement, because it seems to me that things have moved on quite a bit since the original was provided, and we haven't made any had any discussion about community infrastructure levy either this afternoon. So. And but that was obviously put into the mix at one of our earlier hearings, and I don't think, certainly I it's not clear to me how much of a difference that actually makes to your DCO funding package, but I think in light of things, how they have moved, it would be helpful to have that

1:45:26

so that's a moving piece we're aware of, and the position may become clearest during the examination. We anticipate that will be the position. There's also the position in relation to reduction of costs, I appreciate we haven't we adverted to that in relation to the MSA gantries, and also in consequence of proposed change too, if that's accepted. So those are two other parts of the puzzle that would factor into I can see the use of drawing together the current strands as matters have developed of a refined funding statement.

1:46:08

It may not when do you when would you anticipate might you be able to pull that together? Or is it going to depend a lot on when we might issue a decision on change request to that will clearly influence it, yes,

1:46:35

just reminding ourselves of when d7 is

1:46:39

when d6 is currently the 30th of October. Yes,

1:46:47

we, we, we should be able to meet. We will be able to meet d6 I'm confident, because we anticipate that any decision you make on the proposed change to would be in advance of that. Yeah. I

1:47:08

mean, I think, as I alluded to before, we would hope to get a decision out on the change request to early next week. You know, if we can get it done this week, then we will but I think I would have greater confidence in saying early next week at this stage, which is only a week before the current deadline six date. So it's not very large window where the deadline six will change slightly in result of the revised timetable we're going to have to issue. Haven't quite worked that through my head yet, but it's more likely to go backwards than reduce time, because that's not going to be reasonable for everybody. So it may well we will have a deadline six, and then a deadline seven. Shortly afterwards. I um, so, okay, well, well,

1:48:04

I think there's six.

1:48:22

So, it's just five past four now. We've been going for just over two hours, so it might be sensible just to have a break at this point. But before we do, can I just get sort of thoughts around the room as to how long people might want to continue for this afternoon. What's a reasonable cutoff for everybody? If I come to national highways in the first and then I'll go around and see if we get consensus

1:48:52

that's fair, we can make ourselves available

1:48:56

for working through the night? Yes, absolutely,

1:48:58

if it's possible to get through the agenda today,

1:49:05

we'd be happy to stay.



1:49:06

Okay. All right, how about joint councils? What's your your thoughts?

1:49:15

So just like come back to us, come to the

1:49:18

Environment Agency. Is there anything further you would wish to contribute to you, you're going to escape at the brethren, no, we're

1:49:25

happy to like finish.

1:49:29

Oh, as I say, you're welcome to stay. But equally, I can understand if you'd rather make yourself scarce, it's entirely up to you. All right, that's fine. I come then to blown

1:49:40

Hi Tony Weston for Bloor and Simon, and we're happy to stay as long as it takes. But I think we've got something to say on the 106 funding piece, but the other agenda items we probably don't need to be here for. So if that helps,

1:49:53

okay? And how about yourselves?

1:49:59

So I. And I know one of our team needs to be way by 530 for He's dealing potentially with the section 106, funds. So I would hope we would have done that well before that. Anticipate that's the case. I wasn't sure how long you want to do you anticipate it would spend on the DCO, because that could take some time or not, and whether, if that was a lengthier process, that might be better on day two, as it were,

1:50:34

yeah, I mean, I, my current thoughts are that that could take quite some time. We still got a few points to cover on the 106 which I would certainly hope we can conclude, uh, today, comfortably. But we then obviously have some aspects on on noise. Um, so it seems to me that potentially, we might be best doing noise after the 106 and doing DCO in the morning. I can't see that we could, unless we were definitely burning the candle at both ends do the DCO. And I'm not sure that's in everyone's best interests. So

1:51:18

so I think in terms of availability, unless noise is going to take a long time, and I appreciate then it would be desirable to this evening, but I think it might be better to move that also to tomorrow morning, just in terms of marshaling the right personnel.

1:51:41

Yeah, okay, that's fine. Well, if we take a time now, sorry, joint councils.

1:51:49

So sorry, before we take a break, the joint councils may just add one point to the discussions or two actually that have just taken place. So Catherine Knight for the joint councils, firstly, the joint councils will request sufficient time to review and comment on the new funding statement or revised funding statement, when that's put out and you're considering your timetable. Secondly, in request of the policy position that's been discussed by the applicant, there has been discussions with the joint councils, but there is no agreed position at this stage, and discussions are ongoing. I

1:52:31

was going to come on to that anyway, because under the section 106 side, both your letter and also the letter of support in principle that had come from the applicant, where certain things appear to be said, which I think we need greater clarity on. But if we can take a break now, is 10 minutes enough for everybody come back at 20 past four? Yeah, okay, so we'll adjourn now until 20 past again. Should anyone be on the live stream? Just remind you to restart your browser when we return. Thank you. Applause.