



Report sponsor: Alison Parkin, Director of Financial Services  
Report author: Chris Morgan, Principal Regeneration Manager, Strategic Housing Division

## **ITEM 14a**

### **Addendum - Compliance with Contract and Financial Procedure Rules**

#### **Purpose**

- 1.1 Homes England Funding - approval to bid to Homes England, for £0.800m capital of Garden Communities Capacity Funding, to support the development of the South Derby Growth Zone (SDGZ) and Infinity Garden Village (IGV).

#### **Recommendation(s)**

- 2.1 To approve the submission of a bid of £0.800m capital funding, to Homes England, for Garden Communities Capacity Funding 2021/2022, as outlined in section 4.1 of the report.
- 2.2 To delegate approval to accept the Homes England Garden Communities Capacity Funding allocated and add to the capital programme, in the event that the bid is successful, and subject to acceptable grant conditions, to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources (Section 151 Officer), and the Cabinet Member for Adults, Health and Housing, as outlined in Section 4.1 of the report.

#### **Reason(s)**

- 3.1 To ensure compliance with CIPFA code and the Local Government Act 2003 and Financial Procedure Rules.

## **Supporting information**

### **4.1 Brief Background to SDGZ and IGV**

SDGZ is the name given to the wider development area, to the south of Derby City and extending into South Derbyshire. It includes Infinity Park Derby (IPD), which is Derby's flagship regeneration project and one of the Government's Enterprise Zones. SDGZ also includes IGV which consists of the Wragley Way (Sinfin/Stenson Fields) and Lowes Farm (Chellaston) major housing development sites which extend into South Derbyshire. IGV is one of 14 new Garden Villages announced by Government on 2 January 2017.

4.2 The Council secured planning consent for the A50 junction and link road in April 2021.

### **4.3 The Project Partners**

- Derby City Council (DCC), South Derbyshire District Council (SDDC) and Derbyshire County Council (DCoC);
- IPD Limited Liability Partnership/LLP - commercial developer;
- Hallam Land Management – residential land promoter;
- Landowners;
- Strategic partners – Homes England and Highways England.

### **4.4 Bid for and accept Homes England funding**

On the 25 November, Homes England notified the Council of an opportunity to bid for a share of Garden Villages Capacity Funding – a total pot of £5.8m revenue and £6m capital funding. For information, the Council sought for and obtained permission to bid for £0.500m revenue funding at 14 July Cabinet (minute reference 33/21).

4.5 The Council was not notified of the opportunity to bid for capital funding until 25 November, therefore this is the first opportunity that officers have had to bring this to Cabinet.

4.6 The Council is a partner in the successful Levelling Up Fund (LUF) bid, for SDGZ and IGV submitted by DCoC, and announced in the Chancellor's Autumn Statement on 27 October. The bid was for £49.598m - the single biggest LUF award - the cost of a new A50 junction and link road, the infrastructure required to unlock the housing and employment growth at SDGZ and IGV. The award of funding is subject to the completion of a successful Business Case.

4.7 Whilst the initial LUF bid has been successful, one of the criteria for securing that funding is the completion of a successful Business Case. This requires more work and therefore more funding to be committed.

- 4.8 The guidance for the Garden Villages Capacity Funding makes it clear that development of the LUF Business Case is eligible for this capital funding. This would make a big difference to the project; it means that the partners would not have to spend further money at risk, as is currently the case; it also means that we would not have to use much if any of the LUF award towards this, resulting in closer to the full LUF funding being available for further capital works and also de-risking the project to a large extent.
- 4.9 Derby has been successful in securing Garden Communities Capacity Funding for the last three years, receiving £0.461m in total, which has been one of the critical success factors in getting the project to this stage. Bids are invited from local authorities with Garden Village status, including IGV, to bid for a share of an annual funding pot to facilitate the delivery of attractive and sustainable communities that are exemplars of good design and best practice.
- 4.10 It is recommended to approve the submission of a bid of £0.800m capital funding, to Homes England, for Garden Communities Capacity Funding 2021-22.
- 4.11 It is recommended to delegate approval to accept the Homes England Garden Communities Capacity Funding allocated and add it to the capital programme, in the event that the bid is successful, and subject to acceptable grant conditions, to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Section 151 Officer and the Cabinet Member for Adults, Health and Housing.

### **Public/stakeholder engagement**

- 5.1 The main means of stakeholder engagement is through the IGV Liaison Group, which involves elected members from both Derby city and South Derbyshire, local community representatives and is chaired by SDDC. This group has met for about 3 years and while it has no decision-making power as such, it is an important means of keeping members and the local community informed.
- 5.2 The Council will be developing a more comprehensive Stakeholder Management Plan and wider engagement strategy as the Levelling Up Fund project progresses.

### **Other options**

- 6.1 Not to bid. This is not what officers would recommend as this would wholly depend on local authority funding of the business case development.

### **Financial and value for money issues**

- 7.1 There is no match funding required for this bid. The capital funding must be committed to in 2021-22 and spent in 2022-23, which does not present a problem.

- 7.2 The risk of not approving this request is that the Levelling Up Fund Business Case may be unsuccessful. This would mean that we could not build the new A50 junction and link road, resulting in the potential loss of up to 4,500 new homes, 3.2m square feet of new employment floorspace, plus 5,000 jobs that would be created.

## Legal implications

- 8.1 There are no legal implications as a direct result of this report.

## Climate implications

- 9.1 There are no climate implications as a direct result of this report.

## Other significant implications

- 10.1 The Strategic Housing Division will develop an Equalities Impact Assessment specific to SDGZ and will work with the SDGZ partners to aim to develop more accessible housing.

This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b>	Olu Idowu – Head of Legal Services	03.12.21
<b>Finance</b>	Toni Nash – Head of Finance	03.12.21
<b>Human Resources</b>	Liz Moore – Head of HR	06.12.21
	Ann Webster – Equality and Diversity Lead	03.12.21
<b>Service Director(s)</b>	Alison Parkin – Director of Financial Services	06.12.21
<b>Report sponsor</b>	Alison Parkin – Director of Financial Services	06.12.21
<b>Other(s)</b>	Rachel North – Strategic Director of Communities and Place	03.12.21
<b>Background papers:</b>	2021-22 Invitation to bid for Garden Communities Programme Funding	
<b>List of appendices:</b>		