



3 Cities and 3 Counties Growth Point – Submission of Revised Programme of Development

SUMMARY

- 1.1 The Government has asked that each Growth Point area submit a revised Programme of Development (PoD) by 1 October 2008. The report seeks approval for the list of infrastructure projects for inclusion in the PoD and for the approach to be taken to finalising the submission.

RECOMMENDATION

- 2.1 To approve the potential growth point projects identified in Appendix 2 for inclusion in the revised 6 Cs Programme of Development.
- 2.2 To endorse the approach to revising the Programme of Development as set out in the report and to authorise the Chief Executive to sign off the finalised document for submission to Government.

SUPPORTING INFORMATION

- 3.1 The Government designated the Three Cities and Three Counties (6 Cs) area as a Growth Point in 2006. The 6 Cs encompasses the sub -regional Housing Market Areas (HMAs) of Leicester, Nottingham and Derby, the Derby HMA covering the City, South Derbyshire and Amber Valley. As a Growth Point, the area will undergo additional housing development, consistent with regional plan targets, and is eligible for resources to support this from the Government's Growth Fund.
- 3.2 In October 2007, each Growth Point submitted a Programme of Development (PoD) document to Government. Cabinet endorsed the 6Cs PoD on 2 October 2007. The Government used the submitted PoDs as a basis for allocating growth funding for 2008/09. The Derby HMA received £2.59m capital and £350k revenue of growth funding as its share of the overall block allocation to the 6Cs. This has been distributed to specific projects in line with advice from the Derby HMA Joint Advisory Board. Derby City has been allocated £1.55m capital (inclusive of 15% over programming for flexibility between partners). Revenue funding is being used for joint HMA posts and projects.

- 3.3 The Government has asked Growth Point partnerships to submit refreshed PoDs by 1 October 2008. The revised PoDs will be used to assess the award of growth funding for the two years 2009/10 and 2010/11.
- 3.4 The format for the PoD Refresh will be similar to last year's document. There will be an overarching 6 Cs section, with a more detailed Appendix for each of the three HMAs. The PoD has three main sections:
- Vision and Rationale for Growth
 - Housing Trajectory
 - Infrastructure Projects

The first two sections are straightforward in that they basically require the updating of information in the current PoD. In particular, the key housing sites are unchanged from last year, although there is a need to revise the trajectory showing assumptions of future delivery to reflect the recent slowdown in the housing market.

- 3.5 The section on infrastructure projects needs to identify the infrastructure that is required to support housing development and the way in which contributions from the Growth Fund would assist this. The key part of this section is the list of proposed capital projects comprising the proposed priorities for growth funding in 2009-11. The current PoD contains an indicative programme for these two years, but this requires substantial amendment to better reflect current priorities and the level of resources likely to be available.
- 3.6 The 6Cs Growth Point Programme Management Board has asked each HMA Board to work up an indicative 2009 -11 programme of at least £2.5m capital for each year, but with reserve schemes and overprogramming as required to achieve spend and to allow for any additional allocation from Government. In the light of this advice, the Derby HMA Joint Advisory Board is meeting on 19 September 2008 to consider a proposed programme of about £3.5m for each year, with an additional reserve pool of schemes.
- 3.7 The Derby City projects recommended for inclusion in the programme, and as reserve schemes, are set out in Appendix 2. The total funding sought represents a reasonable proportion of the HMA total, taking account of the expected distribution of future housing development across the HMA. The programmed projects have been identified through an evaluation process using criteria established by the 6 Cs Board. They cover a range of infrastructure requirements across the City including open space, transport, and city centre and district centre improvements.
- 3.8 There will be a need to revisit the indicative programme when the actual growth fund block allocations are announced by Government later this year. This will involve further evaluation of the HMA projects so that firm decisions can be made regarding the allocation of the funding received.

- 3.9 In addition to the capital allocation, it is expected that the Derby HMA will receive about £250k revenue funding to support growth point activities in 2009/10 and 2010/11. The Joint Advisory Board has previously agreed the principle of revenue funding being used to support three contract posts shared between the four local authorities. It is suggested that the remaining funding would best be used to support joint studies in support of the plan making programme across the HMA. It is recommended that these proposals are reflected in the revised PoD.
- 3.10 Work is proceeding across the 6Cs to pull together the necessary information to update the revised PoD. All local authorities in the 6Cs area are being asked to endorse the document prior to the 1 October submission. To help meet this deadline, it is proposed that the Chief Executive be authorised to approve the final version of the overall document on behalf of the City Council, subject to the inclusion of the projects shown in Appendix 2.

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Background papers:	6Cs Programme of Development 2007
List of appendices:	Appendix 1 – Implications Appendix 2 - Derby City – Recommended Capital Projects for Growth Point Programme 2009 – 2011

IMPLICATIONS

Financial

- 1.1 Additional resources from Growth Point funding will complement the Council's revenue and capital programmes.
- 1.2 The indicative capital programme approved by Cabinet included £2.696m over the two years 2009/10 and 2010/11. Amendments to the detailed schemes within the indicative programme will be presented for Cabinet approval as part of the overall capital programme report when the final Derby HMA allocation is confirmed later in the year.
- 1.3 The main financial changes to the indicative programme, following the revised programme of development, are reductions in NGP funding towards the Affordable Housing and City Park schemes.
- 1.4 The funding requirement for the revised programme of development exceeds the likely allocation for Derby HMA. A detailed programme will be considered as part of the overall capital budget strategy for 2009-12.

Legal

- 2.1 The Programme of Development is not a statutory document. The overall amount of housing development to be delivered in Derby and the 6Cs area is established through the Regional Spatial Strategy, which is part of the statutory development plan.

Personnel

- 3.1 Managing the Growth Point Programme of Development and planning to deliver the additional housing is having a significant impact on staffing resources at all three local authorities in the Derby HMA. The establishment of three HMA growth point posts using some of the revenue funding received and expected has been approved.

Equalities Impact

- 4.1 The projects proposed for the PoD include support for affordable housing.

Corporate objectives and priorities for change

- 5.1 The PoD is wide ranging in scope and can support most corporate priorities, but particularly making us proud of our neighbourhoods, creating a 21st century city centre and leading Derby towards a better environment.