

Cabinet

5 February 2009



**South and East Durham
New Growth Point
Key Decision BSE/LGR/12/08**

**Report of Ian Thompson, Corporate Director, Regeneration and Economic Development
(Cabinet Portfolio Member for Economic Regeneration –
Councillor Neil Foster)**

Purpose of the Report

- 1 To update Cabinet on the progress of the South and East Durham New Growth Point, to advise on the Government funding awarded (and confirm that the County will inherit accountable body status for the processing of such funds) and to advise on the next steps.

Background

- 2 Papers have been presented to the County Council's Cabinet which confirm our status as one of the Government's Second Round Growth Points.
- 3 Since then additional information has been supplied to Communities and Local Government (CLG) which has taken the form of:
 - A bid for Community Infrastructure Funding (CIF) to facilitate transport infrastructure improvements that can 'unlock' key housing developments (see Appendix 3).
 - Submission of a Programme of Development (PoD) which sets out the principles and delivery mechanisms for sustainable housing growth and also seeks an allocation of Growth Funds to enable such growth to occur (see Appendix 4). A summary briefing of the PoD is in the Members' Resource Centre.
- 4 On 10 December 2008 CLG announced the Growth Fund Allocations for all Growth Points in the County, including ourselves. South and East Durham Growth Point is due to receive £3,224,866 for 2009/10 and 2010/11 to assist in developing new housing schemes.
- 5 An announcement on the allocations for the Community Infrastructure Fund is expected in the New Year.

Detail

- 6 The Growth Fund is un-ringfenced and can be spent according to our assessment of which schemes merit prioritisation. This process is to commence now with a view to ensuring that our key projects can begin to enable housing growth at the start of 2009/10. The Homes and Communities Agency will be taking over administration of the Growth

Funding from CLG and will be the main point of contact in future. Their work on Growth Points will interlock with the wider 'single conversation' they will be initiating with this authority to enable an authority wide investment plan to be established.

- 7 Initial 'start up' funds were paid to Sedgfield Borough Council. It is proposed that Durham County Council take responsibility for receiving and managing all funds that are received from CLG and the new Homes and Communities Agency in the future. This role of being accountable body is assessed for risks in Appendix 2.
- 8 Community Infrastructure Funds are project specific and are dependant on a detailed business case being presented to the Department for Transport and CLG in the early part of 2009. We would anticipate to have at least one scheme approved for taking forward to the next stage.
- 9 Preliminary work between now and April is being progressed through the Growth Point Board and transitional funding has been approved through the Place Programme Board to appoint GVA Grimley to progress key elements of this work including:
 - The development of a monitoring framework.
 - The establishment of links between the growth point agenda and the emerging Local Development Framework and the associated appraisal of strategic sites.
 - The development of appropriate partnership mechanisms and an associated governance structure.
 - The appraisal of mechanisms to ensure developer contributions are maximised.
 - General programme management resource.
- 10 The Growth Point will offer the authority to develop plans which can assist in the delivery of sustainable communities. We will dovetail housing growth with economic development; environmental enhancements and social care, health and education improvements. The current Sustainable Communities Inspection is using the Growth Point as a 'probe' to understand and inform the authority's overall approach to sustainable communities delivery.

Recommendations and Reasons

- 11 That Members note the contents of this report.
- 12 That Members agree that the new accountable body for Growth Funds will be Durham County Council.

Background Papers

Cabinet report 28 August 2008

Communities and Local Government Growth Funding advice letter dated 10 December 2008 to Sedgfield Borough Council

Letter from new Homes and Communities Agency dated 10 December 2008

Contact: Glyn Hall Tel: 01388 816166

Appendix 1: Implications

Local Government Reorganisation

(Does the decision impact upon a future Unitary Council)

Yes, the new Unitary Authority will assume responsibility for the NGP.

Finance

County Durham has been able to receive an element of Government funds for round 2 Growth Points but other public sector finance is highly likely to be needed. Private sector investment is also vital.

Staffing

Not assessed at this stage.

Equality and Diversity

Not assessed at this stage.

Accommodation

Not assessed at this stage.

Crime and Disorder

Not assessed at this stage.

Sustainability

Not assessed at this stage.

Human Rights

Not assessed at this stage.

Localities and Rurality

Not assessed at this stage.

Young People

Not assessed at this stage.

Consultation

Not assessed at this stage.

Health

Not assessed at this stage.

Appendix 2: Risk Assessment for Key Decision

Risk Description	Potential Impact	Treatment (if not already in place, state implementation date)	Risk Owner
The recommendation to become the accountable body for funding is not agreed.	The funding for Growth Funds and the Community Infrastructure Funds are not released by CLG putting at risk the development of housing and associated schemes	Housing growth would be progressed without additional resourcing from 1 st April. This can only be a short term measure. In the long term the status of S&E Durham's growth point would be put in doubt.	Glyn Hall, Head of Housing

APPENDIX 3

List of transport infrastructure schemes subject to Community Infrastructure Fund bid

Project Name	Local Authority	Total CIF 2 Funding Required (2008 – 2011)	Total Housing Accelerated/ Unlocked
Black & Decker	Sedgefield	£520,000	>400
Merrington Lane	Sedgefield	£530,000	>1,000
Whitworth Park	Sedgefield	£650,000	>1,074
Dale Road	Sedgefield	£960,000	>312
Cobblers Hall/Agnew 5	Sedgefield	£100,000	>423
Auckland Park	Wear Valley	£1,620,000	>600
Coundon	Wear Valley	£920,000	>690
Peterlee	Easington	£1,100,000	>910
Seaham	Easington	£ 457,000	>527
TOTAL CIF FUNDING REQUIRED		£6,857,000	
TOTAL ADDITIONAL HOUSING ACCELERATED BY CIF PROJECTS ¹			>5,936

¹ Final net additional housing figures will be supplied in the forthcoming Programme of Development (October 2008).

APPENDIX 4

Indicative List of projects that could benefit from Growth Funding

The projects identified relate to sites across the whole of the South & East Durham Growth Point

Capacity

Growth Point: Skills Audit & Gap Analysis
Growth Point: Travel Plan Officer
Growth Point: Programme Team
Growth Point Local Authority Officers Team
Growth Point: Community Skills & Capacity Project
Growth Point Personnel Recruitment Campaign;

Enabling

Growth Point: Water Cycle Studies
Growth Point: Surface Water Management Plan;
Growth Point: Green Infrastructure Study;
Growth Point: Green Infrastructure Survey
Growth Point: Water & Waste Management Study
Growth Point: Strategic Flood Risk Assessment;
Growth Point Contaminated Land Study;
Growth Point Green Infrastructure Assessment;
Growth Point Media & Communications Strategy.
Growth Point Transport Model;
Growth Point: Pedestrian Access Audit
Growth Point: Collision Analysis and Reduction Strategy
Growth Point: Transit 15 extension application
Growth Point: Strategic cycle network improvements
Growth Point: Place Marketing Campaign;
Growth Point: Rights of Way Improvement Plan;
Growth Point: Sustainability Audit
Growth Point: Enhancing S106 delivery

Preparation & Implementation

Growth Point: Area Action Plans
Growth Point: Enhancing Market Confidence
Growth Point: Peterlee Early Implementation Study

Summary of Indicative Costs (£)

Capacity	1,082,000
Enabling & Preparation Studies	5,011,500
Implementation & Delivery	2,909,500
Total	9,303,000
Revenue	3,807,000
Capital	5,496,000