

<b>Forum</b>	<b>NORTH NORTHAMPTONSHIRE JOINT DELIVERY UNIT</b>	Item 8	Page 1
<b>Councils Affected</b>	All	19 <sup>th</sup> April 2016	
<b>Report Title</b>	<b>GARDEN COMMUNITIES CAPACITY BID</b> - <b>Budget Update</b> - <b>New Bid 2016 to 2018 (2 year funding)</b>		

## 1. PURPOSE OF REPORT

- A. To update members on the Budget, capacity bid and the progress to date in using the capacity funds.
- B. New Capacity Bid – 2016/2018

## 2. INFORMATION

### A. Update report.

- 2.1 Members may recall a similar paper was brought to this committee in January detailing investment, in kind and in cash, that local authorities were already putting into to bear a fair share of that.
- 2.2 The award made in the spring 2015 for capacity funding was of £750,000.
- 2.3 The award was, nevertheless, less than had been sought and some trimming of the intended budget took place. The resulting budget for the programme and the spend against it to date is as follows. The officer steering group has agreed virements between headings in order to make the budget stretch sufficiently far into the 2016/17 year, so that there was not a gap between one set of funding ending and the next amount arriving. It is unlikely that any award for 16/17 will be made before the end of June 2016.

**Table 1 – Capacity Fund Share of Resource Requirement 2015/16 (£000s)**

<b>Item</b>	<b>Descriptor</b>	<b>Revised Cost</b>	<b>As to end March 16 Committed Spend</b>	<b>Committed 2016/17</b>	<b>Underspend</b>
Senior Management	Time spent on Growth and support for partnership structures	20	20		
Growth Manager Post	Delivery Unit Manager and Project Management Resource	67	67		

<b>Item</b>	<b>Descriptor</b>	<b>Revised Cost</b>	<b>As to end March 16 Committed Spend</b>	<b>Committed 2016/17</b>	<b>Underspend</b>
Project Officer	To assist in coordinating and driving the delivery of the consented Sustainable Urban Extensions (SUEs) and associated infrastructure, including leading and managing specific projects.	50	12	39	-1
Planning Staff	Additional Planning Staff for Delivering Unit	117	115	78	-76
Development Management capacity		35	0	35	
Highways Staff	Additional Highways Planners to work with Delivery Unit	108	58	33	17
Legal Capacity	Costs associated with delivery of SUEs and governance of unit, etc	75	5	24	46
Viability Testing	External Consultative Advice/Negotiations	39	0	1	38
Joint Planning Unit	Additional support on specialist planning matters – ecology, heritage, sustainability, design, etc	29	29	11	-11

Item	Descriptor	Revised Cost	As to end March 16 Committed Spend	Committed 2016/17	Underspend
Community Engagement	The Growth Community, as a concept, requires additional engagement above and beyond existing scope	24	8	16	
Economic Development	Place marketing, promotional work, inward investment expertise, funding bids	45	0	22	23
	<b>Sub Total</b>	<b>609</b>	<b>314</b>	<b>259</b>	<b>36</b>
<b>Assessments and Studies</b>					
Programme of commissioned work on NN Growth Community	Ensure appropriate best-practice principles are enshrined in operational delivery	98	48	50	
Transport Assessments, etc	Required to support delivery of SUEs	40	30	10	
Set up costs/other		3	3	2	-2
<b>Total</b>		<b>750</b>	<b>395</b>	<b>321</b>	<b>34</b>

2.4 The 15/16 award was paid in two parts £350k and £450K in June and November. There were milestones that were required to be met, which were successfully achieved.

#### **Progress to date.**

2.5 The above table sets out the progress made against allocated spend. Due to the timing of when the money came into the authority and the time it took to get seconded staff in place the actual spend was behind within the financial year. Therefore, to spend the budget in full within the financial years was always going to straddle into 2016/17. Care has been taken to ensure spend has been taking place bearing in mind the milestone of the studies, although the Health study has been running late given the difficulty in finding the appropriate

expertise to do the work. This work is now progressing and there is an update report on this agenda.

- 2.6 The other key spend area has been the capacity funding into the highways section of the County to improve the prioritisation of the technical work, legal work and to achieve a single contact to ensure the SUE work is kept as a priority. The work is now moving at a much shorter timeframe than has happened in the past. The funding has allowed steady progress to be made and feedback from the developers has been positive, but improvements can still be made.

There will be a risk to these improvements if further funding is not achieved or is not where the authorities had requested the funding to be, as this will result in needing to review the current arrangements in light of the actual amounts that DCLG set down to support the Joint Delivery Unit in going forward.

- 2.7 The table that is set out above shows the commitment into the 2016/17 financial year. There is still £34k underspend and the Steering Group have taken the view not to allocate this money at the present time in order to retain some flexibility within the budget until we here in more detail what this year capacity budget is likely to be

- 2.8 The North Northamptonshire Strategic Stakeholders Group met on the 30<sup>th</sup> March 2016. The Group have flagged up some key matters regarding starter homes, highway inflexibility when involved in building a quality sense of place, community trusts and the new health agenda. But the group did indicate that the work on the capacity on the highway matters was improving.

The attendees at the group are HCA, DCLG, BIS, DET, NEP, SEMLEP, NCC and some developers. This important to achieve a wide audience and keep the North Northamptonshire Garden Communities growth delivery on the agenda of all these key stakeholders.

## **Conclusion**

- 2.9 Progress has been made with the milestones with the Delivery Plan, the Health Study underway with appointed consultants and with a number of the highway studies nearing completion (A6, IWIMP and S278/38s).
- 2.10 The North Northamptonshire Strategic Stakeholders Group has been meeting, which is key to help unlock barriers to the delivery process. More detailed work is underway on specific SUE action plans, which will focus in detail on the actions to remove the barriers to delivery of homes and jobs. Some of those barriers, highways hare being resolved. These action plans are work in progress, but are not static documents and will be modified as things change and move forward.
- 2.11 Steady progress has been made on spend to tackle the right areas of delivery and reducing the barriers to a time delivery process.

## **B. New Capacity Bid 2016/2018**

- 3.1 A new bid has been submitted to DCLG in early Jan 2016.

- 3.2 Discussions have been taking place with DCLG and officers to progress a new bid. The bid sets out the need to progress the current work that is in process and the good work that has been achieved to date.
- 3.3 DCLG have indicated recently that North Northamptonshire is one of five areas that are to be considered (Bicester, Basingstoke, Didcot, Ebbsfleet, North Essex and North Northamptonshire) and the overall budget for the five is £1.5m. A new business case is required and is being currently drafted to be submitted by the end of April 2016. But this will only consider this year spend and there is no commitment regarding a 2017/18 spend.
- 3.4 Every business needs to: make clear what the capacity funding provided to date has been spent on and the outcomes achieved with it; set out why further funding in 16/17 is needed, what it will be spent on (including a table breaking down the bid by its constituent elements) and the expected outcomes; set out why funding cannot be obtained from other sources; and, set out the consequences of not receiving capacity funding. The outcome of this bid process is anticipated to be the mid-June. This is critical as existing spend comes to an end at this time, so any delay may result in work coming to a stop.
- 3.5 We will be stressing the time issue along with the fact that these large SUEs take time to get started, with long lead in times on key infrastructure and a lot of resources to keep progressing to achieve vital housing out puts on the ground, so that you can obtain a continuous build process that is delivery focus.
- 3.6 At a future committee meeting it will be reported of the progress and any outcome or comments on the bid that comes from DCLG.
- 3.7 In a related matter to the growth agenda is the Governments recent published a prospectus on locally-led Garden Villages, Towns and Cities, which involves the ability to bid for other funding.
- 3.8 DCLG published a prospectus in March 2016 inviting proposals for Locally-Led Garden Villages, Towns and Cities (Appendix 1). This extends the offer of support (until now focused on new garden communities of at least 10,000 homes, including in North Northamptonshire), to help those areas which also want to create new garden villages, towns and cities. The first part of the prospectus invites expressions of interest by 31 July 2016 for new 'garden villages' of between 1,500 to 10,000 homes (the Government's intention is to support up to 12 new garden village proposals). The second part of the prospectus invites expressions of interest on a rolling basis in new garden towns and cities of more than 10,000 homes.
- 3.9 The new Joint Core Strategy (JCS), expected to be adopted summer 2016, identifies the opportunity to create a garden village of around 1250 dwellings at Deenethorpe Airfield. Provided it is accepted that "around 1250" could extend to 1500 dwellings, this proposal appears to meet the requirements of the prospectus. East Northamptonshire Council (ENC) has established a Project Board to develop the plans further and is working with the JPU and site promoters to prepare a bid for DCLG capacity support in 2016/17 and 2017/18. This bid will not be competing for the same funding as the ongoing JDU capacity support (which is being considered separately by DCLG) but there is clear potential for the Garden Village to become part of the North Northamptonshire Garden Communities agenda once the masterplan has been

developed, should this be supported by ENC once. The Joint Committee will be updated as appropriate.

3.10 The prospectus does not appear to provide an avenue for seeking capacity support for the JDU, as it is explicitly aimed at areas in addition to those already being supported (in Bicester, Basingstoke, Didcot, Ebbsfleet, North Essex and North Northamptonshire).

3.11 The process for securing ongoing capacity support to deliver the SUEs is set out above in this report. The JDU's business case is strengthened considerably by the imminent adoption of the JCS, which will make commitments for an additional 7000 dwellings in SUEs at West Corby (4500) and Rushden East (2500). This will give Garden Community commitments in North Northamptonshire of 24,800 dwellings.

#### **4. RECOMMENDATION**

Members are requested to note the report