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| NORTH NORTHAMPTONSHIRE JOINT DELIVERY COMMITTEE | | Item 7 | Page 1 of 5 |
| Date | 12th JULY 2018 | | |
| Report Originator | HEAD OF NORTH NORTHAMPTONSHIRE JOINT PLANNING & DELIVERY UNIT | | |
| Title | NORTH NORTHAMPTONSHIRE GROWTH DEAL AND INVESTMENT FRAMEWORK | | |

1. PURPOSE OF REPORT

- 1.1 To report progress since the meeting of the Joint Delivery Committee (JDC) on the 15th March 2018 and to seek endorsement for the approach being taken, in particular:
1. To support the principle of the JDC becoming a North Northamptonshire Growth Board to oversee the implementation of any Growth Deal;
 2. To agree that a draft growth deal proposal, including potential housing numbers and key 'asks' should be prepared based on content of this report; and
 3. To provide information and seek feedback on the proposed approach to the North Northamptonshire Investment Framework.

2. INTRODUCTION

- 2.1 The JDC on 15th March 2018 considered a report on the implications of North Northamptonshire authorities becoming part of the Cambridge-Milton Keynes-Oxford (C-MK-O) Corridor. The JDC's resolutions were that it:
1. Confirms that all North Northamptonshire local authorities should be part of the C-MK-O Corridor, subject to NN being recognised as a distinct delivery area within the Corridor;
 2. Supports officers initiating discussions with Government and Homes England over a bespoke Housing and Growth Deal for NN, based on the acceleration of existing growth commitments to 2031 and subject to the safeguards set out in the report;
 3. Agrees that the JPDU should commission further work in respect of the prioritisation of infrastructure projects and other investment needed to accelerate the delivery of existing commitments, to provide a robust basis for a Growth Deal and/or other bidding opportunities.
- 2.2 This report provides an update on these agreed actions. Planning and development consultants Lichfields have been appointed to support the JPDU through the preparation of a North Northamptonshire Investment Framework and making the case for a growth deal. This work is being funded through JPDU capacity funding. The consultants will make a presentation on their proposed approach.

3. NORTH NORTHAMPTONSHIRE AS PART OF THE C-MK-O CORRIDOR

- 3.1 The JDC resolutions from the 15th March meeting served as recommendations to the partner Councils. The JDC will be updated on the views of the Councils. NCC Cabinet had already agreed (12/12/17) that the County Council should lobby for Northamptonshire's full inclusion in the C-MK-O Corridor and associated investment plans.
- 3.2 The NN councils are represented on the shadow C-MK-O Corridor Growth Board and officers attend the Central Corridor officers Group.
- 3.3 MHCLG has responded positively to the inclusion of the whole of NN within the Corridor and is treating NN as a distinct planning and delivery area. It has commenced dialogue over a potential growth deal (see section 4 below) and has confirmed that NN is in a good position by virtue of having a joint strategic plan (JCS) and well-established joint planning and delivery arrangements. The move to a unitary authority does not prevent a growth deal, but MHCLG will want to be clear who they are doing the deal with.
- 3.4 MHCLG has suggested that governance could be strengthened if the JDC becomes a NN Growth Board able to take decisions in relation to spending of any growth deal funding. Officers consider that this should be supported in principle as it will give confidence over the governance of any growth deal. A NN Growth Board would be superseded by a unitary authority. A report on the way forward will be made to the next meeting of the JDC. Any change to the remit of the JDC will require agreement of the partner councils.
- 3.5 The Joint Planning Committee (JPC), as the strategic planning authority for North Northamptonshire, will separately consider its input to the Corridor-wide vision to 2050 that is currently being coordinated through the C-MK-O Corridor Growth Board. The JPC has agreed that a review of the Joint Core Strategy should be undertaken when the Corridor vision is completed. In the meantime, work will commence to consider longer term growth options for NN.

4. POTENTIAL FOR A NORTH NORTHAMPTONSHIRE GROWTH DEAL

- 4.1 Following the resolution of the JDC in March, the JPDU has established a Project Group to work on the draft growth deal, with a Steering Group of Chief Planning Officers and/or Directors reporting to Chief Executives. The aim is to report a summary proposal to the JDC on 20th September. If endorsed, this will then need to be considered by the individual councils in October. If it is possible to reach agreement with Government within this timescale, an outline deal could be announced in the autumn statement. A Delivery Plan would then be prepared over 3-6 months. This is the timetable that the JPDU is working to. However, Chief Executives are clear that it is more important to arrive at the right deal, that can be recommended to the Councils, than it is to meet a timescale dictated by the autumn statement.
- 4.2 An initial meeting with officers from MHCLG took place on 18th June. Key points arising from this initial discussion are as follows:
- MHCLG considers the proposed two-stage approach to be logical: Stage 1 being a growth deal to drive accelerated economic development and housing growth

based on an up-to-date JCS; and Stage 2 being a quick review of the JCS when the strategic vision for the C-MK-O Corridor to 2050 is complete. Government is keen to promote new settlements within the Corridor and it will be beneficial for NN to commit to exploring opportunities for further garden villages as part of the JCS review;

- MHCLG has raised a note of caution, stating that Ministers want to focus resources on areas of highest demand as evidenced by affordability ratios (median house prices to median incomes). NN is relatively affordable compared to rest of corridor and the proposal will need to address this with local evidence.
- MHCLG has stressed that a growth deal must commit to housing numbers significantly above the Government's new Local Housing Need (LHN) calculation. The higher the numbers, the more investment and freedoms are likely to be offered. The Oxfordshire Growth deal proposes housing delivery rates 45% above LHN. However, the NN position is that any housing number must be deliverable, and a deal must demonstrate clear benefits for local communities. It has been stressed that the ambitious JCS housing trajectories are already premised on significant public and private investment. The growth deal is part of the required package of support and must provide a substantial addition to committed funding.
- As reported to the March meeting of the JDC, sources of land identified in the JCS are, in theory, sufficient to deliver significantly more homes than the plan requires. However, the LPAs are cautious about committing to a high level of uplift above LHN when delivery is largely dependent on external factors such as market conditions and the capacity and business models of the development industry. A potential 'offer' of 20% above LHN has been discussed with MHCLG, subject to the growth deal providing the tools/ resources to address the issues impacting upon delivery rates. MHCLG considers this a good basis for future negotiation. It has also stated that the Government will not punish under-performance in house building if the reasons are beyond the authority's control, for example if the economy or other external factors affect delivery. If the number of homes specified in a growth deal is not delivered, annual grant funding could be stopped but it is not anticipated that any grant would need to be returned providing it has been properly spent.
- Proposals should provide a clear narrative on the role of NN within the Corridor, including economic and transport links. MHCLG anticipate that that a focus of NN growth deal will be on local transport schemes to connect into strategic infrastructure connections within Corridor (Expressway, E-W rail). The NN view that this is not just about physical infrastructure - loss of rail services from Wellingborough is an example of a lack of joined-up thinking within Government.

4.3 Initial thinking from Project Group/ Steering Group is that key components of a NN growth deal 'ask' should include:

- Measures to increase economic prosperity/GVA in NN including addressing skills gaps and capitalising on sectoral priorities/opportunities to meet local needs and the needs of the wider corridor;
- A Strategic Infrastructure Fund to unlock sites, improve viability, support the market through enhanced place-quality and connectivity, and to deliver priority projects (e.g. related to construction skills and the health agenda);

- A Land Fund to acquire and de-risk sites, making them available to a diverse range of providers. This could include early intervention in strategic developments and acquiring smaller sites such as those on brownfield registers and within town centres to facilitate wider regeneration as a complementary offer to the SUEs;
- Affordable Housing Fund and freedoms (including raising HRA borrowing cap) to allow councils and RPs to accelerate delivery of a range of housing products in addition to those supported by existing funding programmes;
- Capacity Funding to include the joint strategic plan to 2050, implementation of innovative delivery arrangements and exploring a strategic tariff/ CIL;
- Flexibility on housing land supply and delivery tests, including the existing JCS approach that assesses supply against distributed LHN rather than the strategic opportunity to go higher.

4.4 MHCLG has requested an updated NN proposal, including potential housing numbers and key 'asks' of a Growth Deal as soon as possible after the Joint Committee meeting. It is recommended that this should be based on the bullet points set out in paragraphs 4.2 and 4.3 above. The JPDU is working with the Project Group and Steering Group to firm up these 'offers' and 'asks'. A range of stakeholders will need to be engaged in this, including SEMLEP (to ensure alignment with the emerging Local Industrial Strategy), other authorities in the Corridor, site promoters and housebuilders. The JDC will be updated on progress.

5. NORTH NORTHAMPTONSHIRE INVESTMENT FRAMEWORK

5.1 The JDC in March agreed that the JPDU should commission further work in respect of the prioritisation of infrastructure projects and other investment needed to accelerate the delivery of existing commitments. This is required to provide a robust basis for a Growth Deal and/or other bidding opportunities.

5.2 Planning and development consultants Lichfields have been appointed to undertake this work through the preparation of a NN Investment Framework (NNIF). The consultancy brief requires the following broad tasks to be undertaken:

- i. Review of economic growth, population and housing projections for NN based on adopted JCS trajectory and accelerated delivery;
- ii. Commercial advice on key factors affecting the timing and pace of delivery of different sources of supply for economic development and housing;
- iii. Identification of potential investments/ projects required to a) deliver JCS trajectory; and b) deliver an accelerated trajectory associated with a growth deal;
- iv. Consultation with stakeholders to gather information on specific projects (including costs and impacts such as growth unlocked by infrastructure) and any additional projects that require assessment;
- v. Development of a prioritisation framework for potential investments/ projects;
- vi. A stakeholder consultation process including workshops to be carried out with the local authorities and key infrastructure providers;
- vii. Creation of a NN Investment Framework as a print and web-based document that that can be updated periodically by the JPDU;
- viii. Ongoing support for the JPDU in preparing proposals for a growth deal based on the NNIF, including a preparation of a delivery plan.

- 5.3 The starting point for the identification of potential investments/ projects (task iii) is the Infrastructure Delivery Plan (IDP) supporting the JCS. The 2017 update of the IDP is available on the link below. This provides a 'long list' of projects, which is likely to be further expanded as gaps are filled, for instance through the inclusion of projects relating to economic development, affordable housing and health infrastructure.

<http://www.nnjpd.org.uk/publications/north-northamptonshire-infrastructure-delivery-plan/>

- 5.3 Lichfields will make a presentation on their proposed approach to the NNIF and will seek feedback from Members. The NNIF work will be completed for the JDC meeting on 20th September, allowing it to inform the NN growth deal proposal.

6. RECOMMENDATIONS

- 6.1 It is recommended that the Joint Delivery Committee notes the content of this report and associated presentations and:

1. Supports the principle of the JDC becoming a North Northamptonshire Growth Board to oversee any Growth Deal, and instruct officers to report back on matters for consideration before a proposal can be put to the partner councils;
2. Agrees that a draft growth deal proposal, including potential housing numbers and key 'asks' should be prepared based on the bullet points set out in paragraphs 4.2 and 4.3 of this report. This will form the basis of discussions with MHCLG, with final proposals reported to the JDC on 20th September before being considered by the individual councils;
3. Provides feedback on the proposed approach to the NN Investment Framework.

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