

GROWTH AREA FUNDING – PRIORITIES FOR EXPENDITURE

Agenda Item 10

Portfolio Area: Enterprise and Culture
Report Presented by: Paul Munson, Head of District Development

Background Papers: Growth Area Funding Guidance; Chelmsford and Braintree Growth Area Funding Programme of Development; Correspondence from CLG
Corporate Implications: Please refer to table at end of report
Options:

1. To agree the priorities for expenditure as set out in the report
2. To agree alternative priorities for expenditure

Risks: Failure to agree priorities will put the delivery of projects at risk. Priorities for expenditure should support the delivery of housing and employment as set out in the Programme of Development otherwise there is a risk that the funding may be reclaimed

Executive Summary

Cabinet agreed at the meeting on 12th October 2009 that the LDF Panel should be responsible for the governance of the Growth Area Funding.
The allocations of growth area funding have now been confirmed with Braintree District receiving £4,037,633.95 capital and £231,876.45 revenue in total for the period 2008-11. Priorities for 2008/9 were agreed by the Braintree Growth Fund Board in October 2008. There is now a need to determine priorities for 2009/11.

Decision

1. To agree the priorities for the expenditure of Growth Area funding as set out in paragraph 4 of this report.
2. To agree that any remaining Growth Area Funding should be used to support the delivery of growth and regeneration areas identified in the Draft Core Strategy and the delivery of affordable housing.

GROWTH AREA FUNDING – PRIORITIES FOR EXPENDITURE

1. Chelmsford and Braintree Councils were jointly awarded Growth Area Funding (GAF) to support the delivery of new housing and employment and associated infrastructure in December 2007. The award of funding was based on a joint Programme of Development that was submitted to Government in October 2007 with the funding being made available in annual instalments between 2008 and 2011. In July 2009 the Minister for Housing and Local Government announced a proposal to switch £128m nationally from the Growth Area fund to support the housing pledge to deliver affordable housing. Following consultation on this in October and November the revised allocations of Growth Area funding were announced on 15th December 2009. The total funding available to the two Councils for the period 2008 to 2011 is approximately £11m, of which Braintree's share is approximately £4.3m. The confirmed funding available to this Council is as follows:

Year 2008/9

Capital - £1,741,621
Revenue - £101,156

Year 2009/10

Capital - £1,463,510.30
Revenue - £63,481.95

Year 2010/11

Capital – £832,502.65
Revenue - £67,238.50

Totals

Capital – £4,037,633.95
Revenue - £231,876.45

2. It is one of the requirements of Growth Area Funding that governance arrangements are put in place locally to determine priorities for the expenditure of the funding and to oversee the delivery of the projects that are funded through GAF. A Braintree Programme Board was originally established to carry out this role but following the changes to the Programme Board arrangements Cabinet agreed on 12th October 2009 that the LDF Panel should be responsible for the governance of the Growth Area Fund. The terms of reference of governance are:
 - i) To liaise with Chelmsford Borough Council on strategic issues related to Growth Area Funding including the preparation of the joint Programme of Development
 - ii) To determine priorities for expenditure of the Braintree element of the Growth Area Funding in accordance with the overall Programme of Development and Government guidance
 - iii) To oversee the delivery of projects supported by Growth Area Funding
 - iv) To monitor the outcomes of Growth Area Funding including housing and employment growth

- v) To liaise with other agencies and stakeholders involved in the delivery of housing and employment growth and supporting infrastructure.
3. Both the original Programme of Development and the Revised Programme of Development include an indication of the projects that will be supported by Growth Area Funding. The allocation of funding, however, is not project specific and it is open to each authority to determine local priorities. There is also no requirement to spend the money in the year in which it is allocated. However it is an expectation that the funding will be used for projects that deliver housing and employment growth and the necessary supporting infrastructure and the Government will be monitoring the outcomes of the expenditure closely.
 4. At the meeting of the Braintree Programme Board on 2nd October 2008 the following priorities for expenditure were identified based on the submitted Programme of Development:

Capital Expenditure

Delivering Employment Growth

Purchase of employment land and provision of infrastructure – land north of Springwood Industrial Estate, Braintree

Delivering Housing Growth

Purchase of land and contribution to site development costs, Braintree

Infrastructure to Support Housing Growth

Freeport Foot/Cycle Bridge, Braintree
 Witham Station Footbridge Extension
 Greenspace Improvements, John Ray Park, Braintree

Town Centre Regeneration

Purchase of land east of High Street, Halstead

Revenue Expenditure

Water Cycle Study
 Revised Development Brief for Land East of High Street, Halstead
 Braintree Rail Study

5. A schedule is attached to this report which sets out the funding allocated to the projects under these headings and the current position. No firm decisions were taken on the priorities for 2009/11 in advance of the funding allocations being confirmed. It was acknowledged that flexibility in the sum allocated for land purchase would be required due to the nature of land purchase negotiations. In the event due to the current economic conditions it has been difficult to progress land acquisition. It was also recognised that the expenditure of specific sums of money would be subject to the normal approval process.

6. It is considered that, in general, the priorities agreed by the Braintree Programme Board continue to remain appropriate. However some funding remains unallocated and the position on some schemes has changed since the priorities were agreed. There is therefore an opportunity to consider other options. It is suggested that priority for the remaining funding be given to supporting the growth areas and regeneration proposals identified in the draft Core Strategy and the delivery of affordable housing. Specific proposals for expenditure can be reported to future meetings of the Panel.

Project Title	Lead Organisation	Description of Project	Total Cost	Delivery Date	GAF Funding 2008/9	GAF Funding 2009/11	Other Funding	Current Position (December 2009)
Capital Schemes								
Delivering Employment Growth								
Land north of Springwood Industrial Estate, Braintree	BDC	Purchase of employment land and provision of infrastructure	£1m	2010/11	£1m			Land identified for employment growth in LDF draft Core Strategy. Discussions with landowners on hold.
Delivering Housing Growth								
Land r/o Rayne Road	BDC	Land assembly to bring forward land for development for 40 houses		2010/11	£240k	£260k		Feasibility study completed. Land acquisition not being actively pursued.
Various sites Braintree	BDC	Land assembly and contribution to development costs to support the delivery of affordable housing		2010/11	£500k	£500k		Various options under consideration
Infrastructure to Support Housing and Employment Growth								
Freeport Foot/Cycle Bridge	ECC	Contribution to construction costs	£700k	2011		£250k	£250k ECC £200k Section 106	Preliminary Design complete. Pre-planning application consultation completed. Planning application to be submitted Spring 2010.
Witham Station Footbridge Extension	ECC/Network Rail	Contribution to construction costs				£300K	S.106 ECC Network Rail	ECC have now agreed a design and build package with Network Rail. Awaiting further information from ECC
Greenspace Improvements – John Ray Park	BDC	Contribution to improvement works	£500k	2011		£300k	£100k section 106 £100k BDC	Footpath/Cycleway options being investigated. .

Project Title	Lead Organisation	Description of Project	Total Cost	Delivery Date	GAF Funding 2008/9	GAF Funding 2009/11	Other Funding	Current Position (December 2009)
Town Centre Regeneration								
Land East of High Street, Halstead	BDC and Private landowners					£500k		Site currently under offer. GAF funding unlikely to be required
Total Capital Identified					£1.74m	£2.11m		
GAF available					£1.74m	£2.29m		
Unallocated					£0	£0.18m		
Revenue								
Water Cycle Study	BDC	Consultants Costs		2008	£45k			Phase 1 Study Complete
Town Centre Regeneration Viability Studies	BDC	Consultants Costs		2008				Studies complete
Land East of High Street, Halstead, Revised Development Brief	BDC	Consultants Fees	£30k	2008	£30k			Consultants appointed Site currently under offer
Braintree Rail Study	BDC	Consultants Fees	£75K	2010	£25k	£50k		Preliminary discussions held with ECC and train operator and Network Rail.
Total Revenue Identified					£100k	£50		
GAF Available					£100k	£130k		
Unallocated					£0	£80		

Corporate Implications			
Financial:	This is additional funding available to the Council and will not impact on existing budgets		
Legal:	None		
Equalities & Diversity:	Positive as the funding will facilitate the delivery of new housing and jobs		
Customer Impact:	Projects funded by GAF will be of benefit to people living and working in the District and to local businesses		
Environment & Climate Change:	This will need to be assessed for individual projects supported by GAF		
Consultation/Community Engagement:	Local Committees		Partners
	Public		Staff
Key Decision:	Yes		
Public/Private Report:	Public		
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