

## Infrastructure Delivery Plan: Growth Points Bid Update Report

### 1. Purpose of this Report

The West of England Partnership Board is asked to note the report.

### 2. Context

- 2.1 In December 2005 the Government announced its Growth Points initiative and invited local authorities to submit strategic growth proposals.
- 2.2 These were assessed by Government and its agencies which sought proposals that were sustainable, acceptable environmentally and realistic in terms of infrastructure provision.
- 2.3 The West of England sub-region was named as a first round growth point and awarded growth point status by Communities and Local government (CLG) in October 2006.
- 2.4 The Partnership submitted a Programme of Development to CLG that demonstrated the requirement for a range of investment priorities to support housing delivery in the West of England sub-region between 2008/09 and 201/011 and beyond.
- 2.5 The award to Partnership is shown in the table below. Whilst the funding received was a substantial amount, it was the projects identified in the 2007 Programme of Development amounted to around £130m (capital £115m and revenue £15m).

	Allocation	Indicative Allocation	
	2008/09	2009/10 & 2010/11	Total
<b>Capital</b>	£7,529,986	£14,358,681	£21,888,668
<b>Revenue</b>	£812,551	£1,137,572	£1,950,123
<b>Total</b>	£8,342,538	£15,496,253	£23,838,791

- 2.6 Following the Growth Point consultation in 2008 the Government asked all Growth Points to submit a refreshed Programme of Development to secure the funding provisionally awarded and to potentially gain additional funding from a pot of £170m. The Partnership re-affirmed and extended its bid and submitted a refreshed Programme of Development on 1<sup>st</sup> October 2008. The funding allocations are expected be announced in the following 8 weeks.

### 3. West of England Growth Points Bid

- 3.1 The West of England 2008 Programme of Development describes how the Growth Point funding is a vital component in the delivery of the long term spatial strategy for

the sub-region region. The high level objective of the spatial strategy is to enable an increase in housing alongside jobs growth and infrastructure investment in order to deliver sustainable communities for the future.

- 3.2 The focus for the provision of new development is at the main urban areas of the sub-region and supporting the regeneration of Weston-super-Mare and South Bristol. This reflects the key principles of the Regional Spatial Strategy, namely focusing growth at Strategically Significant Cities and Towns and balancing economic growth spatially. It is also consistent with the Joint Local Transport Plan.
- 3.3 The scale of development to be accommodated by the spatial strategy is a significant challenge, representing a step change in the provision of new dwellings. The Programme of Development is accompanied by a housing trajectory that demonstrates how this development will be phased, along with an indication of the deliverability of the key development sites.
- 3.4 The Programme of Development identifies the key challenges to bringing these key sites forward and outlines the package of investment required, and specific key projects. Themes covered include Green Infrastructure, transport schemes, community facilities, support to deliver affordable housing, capacity building and support for spatial planning/masterplanning. We have taken a similar approach to the previous year and submitted projects amounting to significantly more than the project funding which we know is available.
- 3.5 Urban extensions have been identified as a vital component to meeting the scale of this challenge. Significant investment in infrastructure is required to support the development in these urban extensions, and significant resources are required in the short term to support spatial planning work. This reinforces the importance of the work programme of the Planning, Housing and Communities Board, and of the Partnership Office in producing an Infrastructure Delivery Plan.

#### **4. Funding**

- 4.1 Instead of funding individual projects from April 2008, the Growth Fund will provide block funding that is not ring-fenced, based on an assessment of the Programmes of Development.
- 4.2 As a grant that is not ring-fenced, with the exception of reflecting the split between capital and revenue, there will be no grant conditions about how or when it is spent.
- 4.3 Local authorities are required to prioritise how the funding is used in their area. B&NES as the legal lead authority and with expertise in this area of work have prioritised the projects in the 2007 Programme of Development.
- 4.4 The 2008 bid seeks to secure funding for the existing priority projects and gap funding on these projects alongside bidding for funding to support additional projects.

#### **5. Additional sources of Funding**

- 5.1 The Partnership received advice from Roger Tym and Partners in April 2006 about the costs and funding of the infrastructure likely to be required to deliver the scale of

development proposed by the Draft RSS and the likely scale of the 'funding gap'. The overall cost of required infrastructure was estimated to be £4.5 billion. Significantly these estimates did not include costs arising from provision of flood defences, utilities, higher education, strategic retail, cultural facilities regeneration or large-scale environmental mitigation.

- 5.2 The consultants identified a likely funding gap of £1 billion on the basis that costs would be met through a range of sources including:
- £1.6 billion from s106 agreements
  - £500 million from the Regional Allocations Fund (RFA) in respect of transport schemes and
  - £650 million from the RFA in respect of housing allocation

Other potential sources of funding identified were:

- PFI
- TIF and Section 56 unspecified tolls and charges and local authorities own resources.

- 5.3 The Partnership intend to undertake further work to clarify the strategic costs of supporting the emerging RSS development proposals, the ways in which this development can be funded and the implications for public resources.

- 5.4 It is envisaged that s106 contributions determined on a site by site basis may not deal adequately with strategic issues. At a later stage, consideration will be given to setting a development tariff or community infrastructure levy by the Local Authorities, working together through the framework of the Partnership.

- 5.5 The Partnership has secured additional funding through the South West Regional Improvement and Efficiency Programme (formerly SW LIFT fund) to take forward this work, with the second phase of the West of England Infrastructure Delivery Plan.

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