



John Hoad
Strategic Director
Cherwell District Council

6 May 2010

Dear John,

ECO-TOWNS: 2010-11 FUNDING

1. Thank you for your recent note asking about the position on this. This letter takes stock of where we have reached. As you will appreciate it will be for a new government to review the position on all proposed payments and agreements (this applies to all our programmes) taking account of the extent to which payments and their conditions have been announced and their detail proposed or agreed.

2. As you know the Minister of Housing announced funding awards for the first wave eco-towns on 8 February 2010. Payments for 2009-10 have been made by CLG/HCA and for 2010/11 the Minister announced a potential award in the range of £2-6m depending on further assessment of the exemplar schemes by HCA and advice to CLG. The criteria and process were set out in my e-mails of 25 January, 9 and 22 March.

3. Subsequently:

- Each authority has confirmed that it wishes to adopt the funding agreement approach for 2010/11;
- CLG has circulated its standard funding agreement terms and conditions;
- Milestones for a funding agreement have been negotiated and agreed with HCA Regional teams (our copy of these is attached to this letter);
- More detailed discussions on delivery structures and related issues have taken place with HCA Regional teams.

4. We are content with this approach and are satisfied that it is consistent with the Minister's decision and announcement of 8 February.

5. The next stages would be for CLG to transfer to HCA the remaining funding needed for these awards to enable HCA to issue the agreements (there may be advantages to the parties in using HCA's form of funding agreement and this is something you would need to discuss with HCA). However as you will understand, and in common with any other funding agreement at this stage, this is subject to the approach of a new government.

6. An additional element is the DCSF funding for eco-innovation in relation to schools, and amounts and projects were also included in 8 February announcement. Subsequently we have been in discussion with DCSF and finance colleagues here and the approach is likely to be to use the funding agreement route but have separate agreements covering the education elements. We will be in touch further on this.

7. I am writing similarly to the other authorities and copying to Steve Carr and, clearly, we will keep you informed as matters develop.

Yours sincerely



HENRY CLEARY
DEPUTY DIRECTOR

EcoTowns

HCA Recommendations

Summary Headline Funding Milestones/Conditions for Local Authority Agreements

First Wave EcoTowns Stage 2 Funding: 2010-11

NW Bicester (Cherwell District Council)

Milestone/ Condition		Payment
1. June	Leadership and Decision Making Arrangements concluded	5%
2. June	Planning Performance Agreement signed	5%
3. Sept	Shared vision document for Bicester signed	5%
4. Sept	Planning Application for Demonstration Project Phase 1 of Development submitted	5%
5. Sept	Energy Strategy and specific energy solution for Demonstration project agreed	10%
6. Sept	Infrastructure Plan for EcoTown agreed	10%
7. Sept	Costed Infrastructure Plan agreed	10%
8. Dec	Planning Permission and Section 106 agreed for Demonstration Project/Phase 1 in which a Start on Site date is agreed.	50%
Total		TBC

Note - General Terms: To continue to remain eligible for additional funding in 2010-11 all authorities will need to demonstrate the conclusion of projects and works funded in 2009-10. All payments will be made quarterly on the presentation of grant claims justifying the eligible amounts that fall into each quarter and monitoring by the HCA will then take place against the stated milestones and any clawback of grant will be enacted should funding not be deployed as agreed.

HCA/HGP
6.5.10

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