

## Bicester Strategic Delivery Board

<b>Date of meeting: 30<sup>th</sup> March 2017</b>	<b>AGENDA ITEM NO:  5</b>
<b>Report title: Eco Town Budget Report</b>	
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### 1. Purpose of Report

- 1.1 To advise the Board on the spend 2016/17 from the Eco Town Grant funding and enable consideration of the priorities going forward.

### 2. Eco Town Grant Funding

- 2.1 Following the identification of NW Bicester as an Eco Town location a bid was made to the government for funding to support the delivery of the development. This resulted in two tranches of funding totalling £13,270,687 being received. This funding was split between capital and revenue and is held by Cherwell District Council. Formal delegation on spending decisions is with the Leader of the Council and Director for Bicester.
- 2.2 Regular updates have been brought to the Board on the use of the funding. This report is brought as we are close to year end and it provides an opportunity to summarise key spend to date and review the budget going forward. The monitoring spread sheet has been amended to take account of;
  - spend to date (Feb2017)
  - the inclusion of interest that has been earned on the capital that is being held
  - the budget going forward

### 3. Eco Town Spend 2015/16

#### 3.1 Revenue

- 3.2 The majority of the funding was capital but revenue funding has supported the Bicester Delivery Team since it was received and continues to support some of the team, whilst Garden Town funding and more limited Healthy New Town funding supports the remainder. In 2016/17 Eco Town revenue funding supported four posts in the Bicester team and the work it has been doing. Funding for the team continues to be identified in the budget until 2019.
- 3.3 In 2016/17 the Bicester Liaison and Engagement officer post was filled after a break between the previous post holder leaving and the further appointment. This post has enabled work to increase with the local community and enabled funding bids to be made including the successful bid for TOE2 funding at Bure Park for wildflower planting. This post is also now doing work to support the Healthy New Town initiative, which is providing some funding to support this.

- 3.4 A further change to the team structure was made following a vacancy to bring in a project officer to support the work to secure external funding and deliver appropriate projects within the town. The post holder is currently working on ERDF projects around innovation and low carbon for SMEs, neighbourhood walking and running routes and supporting work on the town centre.
- 3.5 **Capital**
- 3.6 Capital funding was originally targeted at delivering demonstration projects including work on travel behaviour and energy efficiency. This facilitated projects such as bike loan and cycle training, the Bicester insulation and boiler schemes and the demonstration building. Significant capital funding has been held for some time earmarked to fund the delivery of the first primary school at NW Bicester (£6.25m and the Eco Business Centre £4m).
- 3.7 In 2016/17 the largest expenditure is on the Gagle Brook School at NW Bicester. The initial phase of development, now known as Elmsbrook, at 393 homes would not normally generated the need for a new primary school. However to support the delivery of Eco Town standards, particularly the ambitious target for walking and cycling (50% of trips) and the ambitions to create a sustainable community, it was agreed the school was an important facility to be provided early in the development. The pro rata developer contribution (based on pupil generation) for the school was £3.5 million which was insufficient to build a school. By forward funding the school with Eco Town grant it has enabled the school to be completed much earlier than would otherwise be the case. Although the school will not now open to primary pupils in September 2017, due to low pupil numbers, when it opens in 2018 it will still be in place much earlier than would otherwise be the case. A sum of £6,874,572.65 (including indexation has now been paid for the school. Part of this has been offset by the developer contributions of £4,292,634.78 (including indexation) that have been paid by the developer's. The final cost of the school is not yet available but any further payment will not be within the financial year.
- 3.8 The intention has always been to seek to recoup funding invested in the early provision of the school through later development phases which will be able to take advantage of the additional 90 pupil places that have been provided early. This remains the intention subject to the viability of later phases.
- 3.9 Work is also progressing on the delivery of the Eco Business Centre to support job creation, small businesses and home working in Bicester. A planning application has now been submitted for the building on land at Elmsbrook, to be transferred to the District Council from A2Dominion. A number of costs are being incurred in progressing the scheme primarily in professional fees. The programme for delivery would result in a contract being entered into for the building in summer 2017 with work starting later this year and completing in 2018. The majority of the spend will therefore fall in the 2017/18 financial year.
- 3.10 A number of other projects have been progressed in 16/17 this includes £30k which was provided to Bicester Town Council to support the delivery of the café at Garth Park. In addition the Bicester wayfinding project and the installation of additional cycle parking in the town centre and at Buckingham Road have been progressed. These latter projects have had slight delays but will be implemented from April 17 and therefore some payments will carry over into the 17/18 financial year.
4. **Budget 17/18**
- 4.1 Looking forward to 17/18 the budget reflects existing commitments. Revenue funding focused on supporting posts within the Bicester team. The revenue budget is decreasing and therefore going forward there is less budget available to support consultancy.

- 4.2 Capital spend will be focused on delivering existing commitments particularly the Eco Business Centre, wayfinding scheme and increased cycle parking.
- 4.3 With the limited capital funding remaining it is proposed to continue to support the delivery of capital projects within the town. The priority will be to seek opportunities where it is possible for funding to be recycled, to enable further projects to be supported in the town, or where it can be used as match funding to attract additional funding for the benefit of the town. This way the maximum benefit can be secured from the funding for the town. Given that this funding was secured in connection with the Eco Town a particular focus for funding opportunities will be projects to support the towns sustainability and low carbon agenda.
- 4.4 Opportunities for funding are being sought particularly with regard to opportunities to support sustainable travel, energy and energy efficiency. Opportunities arise throughout the year and will be assessed as they arise. For example one opportunity that will be looked at 2017/18 is the commercial feasibility for a heat pipe from Ardley to support a heat network.

## **5. Conclusion and Recommendation**

- 5.1 The Eco Town funding has provided a unique opportunity to support a dedicated team (now part funded through Garden Town and latterly through Healthy New Town funding) that has enabled a place based team to focus on Bicester, supporting delivery and seeking further funding opportunities. This has significantly increased the level of work taking place in the town within which the Councils are involved.
- 5.2 The Capital funding has enabled a wide range of projects for the benefit of the town and in the last financial year the early delivery of the primary school at NW Bicester. It has also enabled the progression of the Eco Business Centre which will support job creation in connection with the growth of the town. These will be long term assets for the town.
- 5.3 The budget for 17/18 reflects the commitments that have already been made around the eco business centre, wayfinding and cycleparking and also continues to support some of the delivery team, whilst leaving some opportunities to respond further to opportunities as they arise.

## **6. Recommendation**

- 6.1 The Board are recommended to note the budget position as at the end of February 2017 and support the proposed budget for 2017/18.