

Executive

North West Bicester Eco Town Bid for Growth Funding Allocation

2 November 2009

Report of Head of Planning and Affordable Housing Policy and Head of Development Control and Major Developments

PURPOSE OF REPORT

To inform members of the outline bid submission and provide details of the full bid for information.

This report is public

Recommendations

The Executive is recommended to:

- (1) Note the report and consider any decisions that may arise (further detail may be available by the time of the meeting)
- (2) Approve the contents of the outline bid and supporting information in the Programme of Development as the Council's submission for eco town funding (copy to be circulated as soon as available)

Executive Summary

1 Eco-towns – Funding Allocations – Bidding Guidance for Local Authorities 9 October 2009

- 1.1 The Government set out details of £60 million start up funding for the four eco town locations in the Planning Policy Statement published on 16 July 2009. The Ministerial Statement accompanying the announcement of North West Bicester as an eco town location also identified other sources of funding.
- 1.2 The £60 million The £60 million eco-town fund for 2009-11 is a separate ring fenced allocation within the Department of Communities and Local Government (CLG) Growth fund and is an additional source of funding for local authorities and partners to facilitate large scale housing growth and to support the delivery of eco-towns as national exemplars of low carbon and sustainable development. The Government hopes to announce confirmed funding for 2009-10 in December 2009 following bids for funding from eco

town lead local authorities. A further provisional amount for 2010-11 is expected to be announced in early 2010 and confirmed by Parliament soon after. This will be based on the £60 million allocated to eco towns on 16 July 2009 with £25m expected in 2009-10 and £35m in 2010-11. Eco town local authorities will be expected to provide an update for 2010-11 funding in February 2010 to confirm progress of plans and proposal set out in the funding application.

- 1.3 The Growth Bid provides unringfenced block grant and there are no grant conditions about how or when the funding allocation is spent. Outline bids must be sent to the HCA Regional Team and the CLG Eco towns team on 30 October with further supporting detail by 13 November 2009.

2 The Bid and Programme of Development

- 2.1 The deadline for further details to be submitted is 13 November 2009 and it is clear in the guidance that late submissions will not be accepted. The timetable for submission provides an opportunity to review, update and where necessary correct the outline bid to take account of the decision of the Executive before submitting further supporting detail by 13 November. A Government decision on funding bids is expected in December 2009.
- 2.2 A Draft Programme of Development (POD) and bid is being prepared in conjunction with Government agencies and other partners. The eco-town funding bid sets out Cherwell District Council's proposals for additional sources of funding for services and infrastructure to delivery the early phases of North West Bicester. An outline bid of £20 million will be submitted for eco town funding on 30 October 2009. The bid will be based on a financial model for start up funding over a 5 year period split approximately 1:3 in terms of revenue:capital. This takes account of the guidance from the Homes and Community Agency (HCA) and CLG requiring the bid to demonstrate that dedicated capacity is available to deliver the eco-town. The bid is supported by a Programme of Development (POD) setting out the planning timetable for delivering the eco development. It includes details of the demonstration schemes, the first phase of development to 2016 and the future phases to complete the eco-town development.
- 2.3 The bid follows the bidding guidance provided by CLG on 9 October 2009 which sets out the scope and contents of the POD. It will be assessed by the HCA as advisors to CLG. The HCA will send recommendations to CLG and the Ministerial funding decisions will be made in the light of the recommendations and the bids made. It is hoped to announce Ministers' decisions by the end of the year. The bid does not include other funding streams and programmes which can help support eco town local authorities.
- 2.4 The bid is based on the following headings:
 - Capacity (revenue funding)
 - Infrastructure (capital funding)
 - Demonstration projects (capital funding)
 - Land Acquisition (capital funding)
- 2.5 In summary the outline bid is for £20 million to support the start up of the eco town. The next stage will be to submit by 13 November 2009 further supporting information providing further details on the bid and POD. Given

the early stage of the eco town process and current position on land assembly, the outline sets out the Council's broad plans and aspirations for delivering the eco town. It builds on the known commitment of Bicester Town Council, Oxfordshire County Council, the landowners, private sector development interests and other public sector partners.

Background Information

- 3.1 The CLG published Eco-towns-Funding Allocations-Bidding Guidance for Local Authorities on 9 October 2009 following, John Healey's Ministerial Statement made on 16 July 2009. Other background information is contained on the "Eco Towns" pages of the Council's website (go to: www.cherwell.gov.uk/ecotowns).

Key Issues for Consideration/Reasons for Decision and Options

- 4.1 This report is presented for approval of the Council's submission for eco town funding to be submitted to the HCA Regional team and CLG by 13 November 2009. The outline bid and supporting information in the Programme of Development will be submitted on 30 October and further supporting detail is being prepared to meet the timetable for funding allocation submissions. The Executive is invited to consider the supporting material which provides the basis of the Council's bid.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

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|---------------------|-----------------------------------|
| Option One | To agree the recommendations. |
| Option Two | To amend the recommendations. |
| Option Three | Not to agree the recommendations. |

Consultations

The issues in this report have not been the subject of consultation

Implications

- Financial:** The Council's response to the eco towns process is currently being resourced and staff within existing structures and budgets.
The outline financial fund budget is split 1:3 between revenue and capital.
The bid identifies a need for further resources to support

the eco town's delivery and has the potential to increase capacity within the local authority.

Comments checked by Eric Meadows, Service Accountant 01295 221552

Legal:

Some potentially complex legal issues arise from the proposed new partnership and delivery mechanisms.

Comments checked by Pam Wilkinson, Principal Solicitor 01295 221688

Risk Management:

The application for eco town funding allocations sets out the plans and proposals for North West Bicester and an update on progress. The additional funding is to support local authorities in facilitating the delivery of the eco towns as national exemplars of low carbon and sustainable development. The staff and resource requirements are set out in the bid and will be an important factor in determining the funding decision. There is potentially some risk of staffing and resource issues.

Comments checked by Rosemary Watts, Risk Management & Insurance Officer, 01295 221566

Wards Affected

Ambrosden and Chesterton, Caversfield, Bicester North and Bicester West directly, but impact on whole district and sub region.

Corporate Plan Themes

Cherwell: A District of Opportunity, A Cleaner, Greener Cherwell and A Safe and Healthy Cherwell

Executive Portfolio

**Councillor Michael Gibbard
Portfolio Holder for Planning and Housing**

Document Information

Appendix No	Title
To follow	
Background Papers	
CLG published Eco-towns-Funding Allocations-Bidding Guidance for Local Authorities on 9.10.09 John Healy's Ministerial Statement was made on 16 July 2009.	
Report Author	Jenny Barker, Team Leader Major Developments Andrew Bowe, Implementation Officer
Contact Information	01295 221842 andrew.bowe@Cherwell-dc.gov.uk