

Eco Bicester Strategic Delivery Board

Date of meeting: 21 July 2010	AGENDA ITEM NO: 4
Report title: Recommended Spending Plans	
Author: Jenny Barker (Eco Bicester Project Team) Tel: 01295 221828 Email: jenny.barker@cherwell-dc.gov.uk	

1. Purpose of Report

To update the Board on the funding now received and expected for the eco town and to recommend how this is allocated for the time being.

2. The funding situation

The NW Bicester eco town bid sought £20m to fund a range of projects. We sought funding to support the on-site exemplar development that forms the first phase of NW Bicester, early win off-site demonstration projects, community infrastructure projects, projects to prepare the local community, and on-site infrastructure provision. It was recognised at the time that other sources of funding would also be required for some projects.

£9.7m was awarded to NW Bicester by the Department of Communities and Local Government (DCLG) and this money was paid to Cherwell District Council in March. A further £0.46m was awarded to the zero carbon sixth form at Cooper School by the then Department of Children, Schools and Families. We heard last week that the funding from the now Department of Education has been cut and will not now be received.

Before the General Election DCLG had indicated that a second round of funding would be available for 2010/11, subject to the meeting of a series of agreed milestones. We now know that up to 50% of this second round funding will be available (between £1-3m for Bicester).

3. Use of funding

We now need to agree how the funding we do have for Eco Bicester will be allocated. There are of course many calls on it and many potential ways of spending it. It would be possible to spend the funding many times over on worthwhile projects and at the same time not to fund all the projects originally identified or others which are still being put forward. At the same time the infrastructure plan that is being developed alongside the exemplar planning application and outline masterplan is likely to identify further priorities for funding as well as when the money will be needed. The Vision document will also have an influence on the thinking on priorities.

While this work is being done there is a strong case for retaining as much funding as possible as an infrastructure fund for both on- and off-site projects while further details,

particularly around infrastructure requirements, are established. This fund could then be used not only to support projects directly but also potentially to help forward fund the early provision of infrastructure, such as the first primary school, recouping funding from the developer as the development progresses. This approach would also enable funding to be recycled into other Eco Bicester projects later. This approach is consistent with the original bid which promoted the use of funding over five years.

4. Proposed allocations

In terms of the £9.7m already received, the Board is recommended to:

- Allocate £1.8m to the ongoing cost of the eco team and specialist support as originally planned
- Allocate £2.1m to the key demonstration projects as detailed below
- Allocate £5.8m to the infrastructure fund and review the priorities for this fund again at the next Board meeting

5. Demonstration Projects

We committed in the bid to progress six early win demonstration projects: the demonstration building at The Garth; redevelopment of Bryan House; Cooper School; the Community Hall at Causeway; travel planning; and construction skills. Some of the projects are currently progressing without eco town funding (such as Bryan House where funding is being sought through the National Affordable Housing Programme); funding has already been allocated to others; allocations to others are recommended in this paper:

Cooper School

£600,000 has been allocated to Cooper School to cover the cost of upgrading the proposed sixth form building to a zero carbon building. The remainder of the cost of the building is being met by Oxfordshire County Council. The design work has been undertaken and the building has planning permission. Originally it was announced that £460,000 would be available from DCFS for this project but the Councils have recently been advised that this funding can no longer be provided. The whole of the cost of the upgrading the building to zero carbon will now come from the eco town growth funding.

The building is required for the start of the September school year 2011 and to meet this work needs to start shortly. Further work is now subject to OCC's review of all capital projects with a decision due at their meeting on the 27th July. At the time of writing this report the papers for the 27th July meeting have not yet been published, but a verbal update will be provided to the Board on the 21st July.

The Demonstration Building

£110,000 has been allocated to support the running and use of the demonstration building at The Garth. The building is being provided by P3Eco but some additional costs have been funded from the eco town fund. These are the creation of the foundation for the building due to its siting and legal advice in respect of the lease. The funding identified will also be used to contribute to the running of the building and for the holding of events and activities at the building to maximise the benefits of the two year period during which it will be on site.

Travel Behaviour Project

£75,000 has been allocated for a travel survey to support the development of the travel behaviour project. Travel behaviour and achieving ambitious PPS standards for modal shift will require sustained effort and therefore it is recommended that work on the travel behaviour project starts very shortly. The bid originally included a figure of £1.8m for the travel behaviour project. However, it is now recommended that £900,000 in total is set aside for changing travel behaviour over the next three years.

Residential Retrofit Project

A £1m project was identified in the bid to upgrade existing properties with energy efficiency measures. The 2009 stock condition survey estimates that 6,000 of Bicester's 13,000 homes are likely to lack basic insulation and the need for basic and cost effective energy efficiency measures is therefore significant. While new build properties at NW Bicester will be built to high insulation standards, it is important not to overlook the contribution the existing housing stock could play in reducing carbon emissions and reducing fuel poverty.

It is therefore proposed to run a scheme providing loft insulation and/or cavity wall insulation at a reduced price of £49 per measure, or free if eligible (CERT funded), through approved contractors. The cost of these measures takes account of the discount already paid by major energy suppliers through CERT but reduces the cost further to home owners and landlords. For every £1 spent on this project an additional £2 of investment (through owners' contributions and CERT funding) would be drawn in. While much of the eco town programme is looking at innovation and new approaches, measures like basic insulation are cost effective and deliver real benefits in carbon reduction and for residents. It is also important in ensuring those living in the existing town can be involved and benefit from Eco Bicester. It is therefore recommended that £500,000 is identified now for use over three years and that this work starts now.

6. Recommendation

- 1) To note the funding already committed to the Cooper School and The Demonstration Building
- 2) To confirm support for funding allocations to the travel behaviour and residential retrofit projects
- 3) To support the ring fencing of the remaining funding for infrastructure