

Eco Bicester Strategic Delivery Board

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Report title: DCLG Eco Town Growth Funding	
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1. Purpose of Report

This report is to update the SDB on the funding received to date and spend that has taken place and to enable the SDB to consider proposals for future spend.

2. Background

2.1 Following the government announcement of the first Eco Towns a bid was made for Eco Towns growth funding. The bid was made in November 2009 for support for;

- on site projects to deliver NW Bicester development
- off site projects within Bicester as well as
- funding of a core project team to deliver the project

The bid was for over £20 million pounds of funding (see appendix A).

As a result of the Bid £9.7m (£3m for demonstration projects, £1.7m revenue and £5m capital) of funding was received by Cherwell District Council which is the responsible authority with regard to the funding. This funding, and initial proposals for its use, were reported and agreed by the SDB in July 2010.

2.2 Further representations were made to DCLG for 2nd round Eco Town Growth Funding and this secured an additional £3.4m capital and £150,000 revenue earlier this year.

2.3 Both funding contributions have been received as block grant and as such are not tied to the delivery of a specific project. It has been confirmed there will not be any further specific Eco Town funding from DCLG.

3. Spend to Date and Future Proposals

3.1 Spend to date has been undertaken to fund;

- **Project Team.** The project team including some staff costs, consultancy and expenses incurred the running of the project. Staff costs support the core project team (currently 4 full time staff and 3 part time staff), consultancy support has included a sustainability integrator working part time in the project team and part time with the developer team and jointly funded and an officer working primarily of community governance and supporting the work of the team on the planning application. Expenses have included

costs such as venue hire for meetings such as the SDB and costs associated with producing the Shared Vision.

- **Demonstration Projects.** There was a commitment to deliver 6 demonstration projects for the original bid. These are all progressing but not all have required Eco Town funding. However funding has been identified to support the additional cost of achieving zero carbon for the new sixth form at Cooper School, the delivery and support the use of the Demonstration Building, to deliver a Travel Behaviour project in the town and to deliver subsidised (also includes CERT funding) retro fitting of loft and cavity wall insulation to existing homes in Bicester. Spend to date has occurred with regard to the Demonstration Building, Travel Behaviour and the Retrofitting project (see appendix B). The delivery of the community hall at The Church of the Immaculate Conception and affordable housing at Bryan House were also identified as demonstration projects and are progressing but have not called upon the Eco Town funding.

3.2 The July report to the SDB highlighted the need to consider funding for the project over a reasonable timescale. The initial bid looked to use funding over five years recognising the long term nature of development at NW Bicester, which is identified in the draft Core Strategy to meet Bicester's housing need to 2026 and beyond. It is recognised that new development has significant impacts and requirements for infrastructure and therefore £5.8m of the Eco Town funding was identified as an infrastructure fund for Bicester.

3.3 Following work on developing the Shared Vision for Bicester and infrastructure planning for the NW Bicester development it is clear that there remains many potential calls on the Eco Town funding, more than could be met from the available funds. Therefore it is necessary to prioritise the needs and look at opportunities for funding to be recycled to maximise the gain from it.

3.4 Three significant areas of potential spend for the Eco Town funding have been identified, gap funding for a primary school and contribution to the provision of an Eco Business Centre on the first phase of the NW Bicester development and investment in an energy services company (ESCO).

3.5 The early provision of a primary school for the first phase of development at NW Bicester is highly desirable to help establish sustainable travel patterns where children can walk to school and help build the local community. The Eco Towns PPS standards suggest a maximum distance of 800m from homes to the nearest school. The Shared Vision looks to create a learning town with access to local quality educational facilities. It is unusual to require a whole new school for a development of 400 homes as this would not generate enough pupils to fill the school. In this case it is anticipated that the school could be built in two phases and expand to accommodate additional pupils when further development took place at NW Bicester. To require the developers to fund a whole school at the beginning of the development would adversely impact on the viability of the scheme, it is therefore proposed to ask the developers to make a contribution to the school based on the projected number of pupils from the development and gap fund the construction of the first phase to ensure early delivery. The cost of gap funding is currently identified as £2.16m. There is potential to recoup funding through planning obligation contributions through later stages of the development

3.6 The plans for the first phase of development at NW Bicester include the provision of an Eco Business Centre to provide accommodation and business support for small companies. This is important in starting to foster a different approach to employment growth in the town. The Eco Towns PPS requires the provision of at least 1 job per dwelling easily reached by walking, cycling and/or public transport. The Shared Vision looks to create a centre for innovation. From initial work it appears likely that financial support will be required to deliver this facility early in

the new development and therefore it is recommended that Eco Town Funding is safeguarded at present for this purpose. The cost of building an Eco Business Centre has been identified by the developers as £4m. There is potential to recoup funding from this facility either through rents or sale of investment in the future.

- 3.7 To deliver zero carbon development (as defined in the Eco Towns PPS) it is necessary to have on site energy generation. The Shared Vision seeks the development sustainable energy management and zero or low carbon energy generation. The application for the first phase at NW Bicester proposes a district heating system with gas CHP and bio mass boiler and solar photovoltaics to provide energy. A separate energy company is proposed for NW Bicester and this provides the opportunity to have greater control over pricing. There is potential to invest in such a company. This could give greater influence over the company's direction and pricing but also potentially generate an income that could be reinvested in Bicester. Discussions re this are at a very early stage but it is potentially an exciting opportunity to be involved in the delivery of zero carbon and renewable energy and provide a future income.
- 3.8 Potentially to deliver the projects outlined above could use up the Eco Town funding that has been received but all potentially provide an opportunity to recycle funding at a later date which would enable further investment in the town. Further work is being undertaken on all the projects to provide further detail and to establish more accurate costs and review other potential projects and funding sources. However it is important that these significant opportunities are not lost through lack of available funding and therefore it remains important to safeguard funding for infrastructure provision.

4. Recommendations

- 4.1 The SDB are recommended to;
- 1) Note the funding received from CLG
 - 2) Note the spend to date of the funding received
 - 3) To endorse the approach of safeguarding remaining funding for infrastructure provision and the significant projects identified above

Appendix A - Spend to Date
Appendix B – Funding Plan