

**REPORT TO:** Executive Board Sub-Committee  
**DATE:** 15<sup>th</sup> October 2009  
**REPORTING OFFICER:** Strategic Director - Environment  
**SUBJECT:** Housing Growth Point – Initial Progress  
**WARDS:** Boroughwide

## **1.0 PURPOSE OF THE REPORT**

1.1 To inform Members of the award of Growth Point Status, allocation of monies from DCLG's Growth Fund, proposed funding priorities and initial activity with the programme of development.

## **2.0 RECOMMENDATION: That**

- (1) note the grant of Growth Point Status and funding allocation from DCLG;**
- (2) endorse the contents of the submitted Programme of Development (PoD);**
- (3) support the establishment, structure, and ongoing work of the Mid-Mersey Growth Point Partnership Board,**
- (4) support the initial funding priorities identified by the Growth Point Partnership Board and authorise the release of revenue and capital expenditure in accordance with the priorities as determined by the Growth Point Partnership Board.**

## **3.0 SUPPORTING INFORMATION**

- 3.1. As previously reported to Members on the 13<sup>th</sup> December 2007 and 6<sup>th</sup> March 2008, Halton, together with St.Helens and Warrington submitted expressions of interest in being awarded Growth Point Status in October 2007.
- 3.2. DCLG subsequently conferred this status, jointly on the 3 authorities in July 2008. Halton, acting as 'responsible authority' subsequently led on the formation of a Growth Point Partnership Board and on the production and submission of bids for funding from the Community Infrastructure Fund (CIF2) and the Growth Fund.
- 3.3. As 'responsible authority', Halton will receive and manage (in accordance with HBC standing orders) the funding with respect to the Growth Point. Funding has been awarded initially for a period of two years.

### **The Growth Fund Partnership Board**

- 3.4. A Partnership Board has been established under the banner “Mid-Mersey Growth Point Partnership Board” to direct the development and delivery of the Growth Point programme. The Board comprises of 5 voting members and 2 non-voting representatives as follows;

St.Helens Council;	Cllr Brian Spencer (Chair)
Halton BC;	Cllr Marie Wright
Warrington BC;	Cllr Bob Barr
Environment Agency;	Area Manager (North)
RSL Representative;	Peter Styche (Helena HA).

Homes & Communities Agency (Non-voting advisor)  
GONW (Housing Policy Section) (Non-voting advisor)

- 3.5. The Board has met 5 times to date to approve the submission of the Community Infrastructure Fund (CIF2) bid (details below), the Growth Fund bid, in the form of a ‘Programme of Development’ (see below) and latterly to agree priorities for future action following the announcement of Growth Fund allocations.

### **The Community Infrastructure Fund (CIF2).**

- 3.6. Growth Point status conferred the right to bid for monies from the joint DfT / DCLG Community Infrastructure Fund. Expressions of interest had to be prepared and submitted within a 6 week timetable and the Mid-Mersey partners identified a total of 14 projects (6 Halton + 2 cross-boundary) totalling some £11.3 million.

- 3.7. Subsequently, DfT announced the schemes invited to proceed to submission of a full business case. Mid-Mersey had 2 schemes selected (the maximum per area), unfortunately neither of which were in Halton. Following the submission of the business cases, DfT has confirmed support for one scheme, the provision of pedestrian, cycle and greenway links between the housing sites of Chapelford and Bruche in Warrington.

### **The Growth Fund and Programme of Development (PoD)**

- 3.8. Each Growth Point was expected to prepare a Programme of Development (PoD) setting out their proposed projects and actions to help deliver the growth agenda. This document is intended to act as both a project management tool and a bidding document for financial support from DCLG’s Growth Fund. This is intended to be a living document that will be updated and amended throughout the life of the Growth Point programme (2008 to 2016/17). Our initial Mid-Mersey PoD can also be viewed on the mid Mersey website, [www.mid-mersey.org.uk](http://www.mid-mersey.org.uk)

- 3.9. Whilst in total the Growth Fund Nationally for the initial 2 years of the programme was £100m, our PoD identified approximately £14m of potential projects for this initial period and resulted in a notified

allocation of approximately £4.2m for the Mid Mersey Growth Point. Given that we are one of 20 new growth points bidding for funding, this allocation was broadly considered a success. However, in July 2009, DCLG informed all Growth Points that, in order to fund the Governments Housing Pledge, there would be a reduction in capital grant to Growth Points next financial year. For Mid Mersey this will mean a reduction in notified grant of £999,289, giving a revised total allocation of funding to our Growth Point of £3.2 million. A summary of the revised funding allocation is as follows

		<b>Revised DCLG Allocation [July 2009]</b>		
<b>Initial 'Start Up' Allocation</b>		<b>2009/10</b>	<b>2010/11</b>	<b>Total;</b>
Capital		£1,450,124	£1,302,980	<b>£2,753,104</b>
Revenue	£150,000	£123,180	£164,241	<b>£287,421</b>
		<b>£1,573,304</b>	<b>£1,467,221</b>	<b>£3,040,525</b>
<b>Total</b>	<b>£ 150,000</b>	<b>£1,573,304</b>	<b>£1,467,221</b>	<b>£3,190,525</b>

**Initial priorities for future action / funding**

3.10. On the 2<sup>nd</sup> February, the Growth Point Partnership Board considered a report setting out the details of the financial allocation and recommending priorities for immediate action and funding support. Since then, the Board has moved matters forward at both its May and August meetings.

3.11. Initial priorities identified in February for **revenue** funding during 2009/10 include:

Project	Potential Cost	Reason
Water Cycle Study	£75,000	A requirement from GONW designation letter. Environment Agency has commissioned Phase 1 'Scoping' Study, due to report in April 2009 that may identify areas for further work.
Strategic Housing Market Assessment	£25,000 per annum for 2 years	Identified requirement from Liverpool City Region Housing Strategy. Item referred to Housing 'Thematic Group' to scope out requirements and timetable.
Infrastructure Study	£35,000 pa / 3 yrs	Thematic group to be established to scope out project and identify necessary resources. Likely to be delivered at Sub-regional level.
Green Infrastructure	Not yet known	Green Infrastructure Study was a requirement from the designation letter. Discussions currently underway with partners including Mersey Forest and the Environment

		Agency to scope out necessary work.
Renewable Energy Feasibility Study	£50,000	Item referred to Infrastructure Group to investigate and report back.

3.12. Initial priorities for **capital** funding during 2009/10 include:

Project	Cost	Reason
Affordable Housing Subsidy	£1,000,000	Identified in PoD as the key priority for the early years of our GP programme. A Housing Thematic Group is being established to make recommendations to the Board on how this should be administered.
General Capital Improvement fund	£ 450,124	General fund for Capital works. An Infrastructure Thematic Group is being established to make recommendations to the Board on how this should be administered.

3.13. A report to the Executive Board deals with the requirement to amend the Capital Programme to reflect the receipt and management of these monies on behalf of the Growth Point Partnership Board

#### **Moving things forward**

3.14. Beyond getting the right structures in place to move the Programme of Development forward, the Partnership Board focus is on housing delivery, particularly in the current and expected economic climate. Helena Housing has been asked to develop its suggested model for an affordable housing subsidy, including the potential to recycle grant monies for reuse by the Board; RSLs have been invited to come forward with proposals to deliver new additional social housing, against which the Board may allocate growth point capital grant. The Board has determined to have fuller information on sites where development can take place and/or continue within the growth point, alongside information on where sites are stalled or stopped. This consideration runs parallel with HCA proposals to 'kickstart' housing development, and from which six proposals from Warrington and one from St Helens are undergoing due diligence by HCA. A second round of Kickstart has recently been announced.

3.15. The housing thematic group has been set up, and a stakeholder group of RSLs has been established under the chairmanship of the Boards' RSL representative, along with a stakeholder group of house builders, meeting initially for consultation on the three boroughs strategic housing land availability assessment, including housing trajectories. The commissioning of a new Strategic Housing Market Assessment for the Growth Point was agreed by the Board at its August meeting.

3.16. A green infrastructure thematic group is in place and is developing a framework to also fit with the LDF.

- 3.17. The thematic group for transport infrastructure has been established, and work is already underway enabling the successful scheme supported by the CIF to start early next year. Monies have been won from the DfT strategic studies budget for support towards feasibility studies looking at sustainable transport measures across the Growth Point that support housing.
- 3.18. The draft phase one Water Cycle scoping study has been undertaken for the Environment Agency, and next steps identified, and the Board has agreed to cost effectively combine the requirement for a Renewable Energy study for mid Mersey into an intended wider Merseyside and West Lancashire study.
- 3.19. Executive Board members are asked to support the initial priorities and delegate approval of detailed expenditure to the Growth Point Board.

#### **Growth Point Manager**

- 3.20. The Partnership Board has authorised the appointment of dedicated staffing, and Richard Tully has been appointed as Growth Point Manager. Richard is on secondment from St.Helens for an initial period of two years. He has a strong track record in regeneration, having previously held senior positions with Ravenhead Renaissance and ENCAMS. He is based in the Environment Directorate at Rutland House.

#### **Accounting Arrangements**

- 3.21. As the 'Responsible Authority', Halton will handle the financial arrangements on behalf of the Growth Point Partnership Board and this will be done in line with the Council's Constitution and Standing Orders. As the Growth Fund includes a Capital Award, the Council's Capital Programme will need to be amended to reflect this.

### **4.0 POLICY IMPLICATIONS**

- 4.1. Growth Point Status has implications for the Local Development Frameworks of all three Growth Point Authorities. For Halton, delivery is expected to include development around Runcorn Docks and this will have implications for the Core Strategy and subsequent Development Plan Documents. This will introduce significant population numbers into an area currently sparsely populated generating new service requirements. Integration with Runcorn Old Town centre will be an important element to the wider success of this proposal.

### **5.0 OTHER IMPLICATIONS**

- 5.1 No other implications

### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **Children and Young People in Halton**

- 6.1. Halton's contribution to the Mid-Mersey Growth Point is expected to include development around the Runcorn Docks area. This will increase the population within a sparsely populated area generating demands for services and facilities for children and young people.

### **Employment, Learning and Skills in Halton**

- 6.2. Growth Point status will provide additional housing opportunities, contribute to improving the image of the Borough and support continued economic development. The proposed redevelopment of Runcorn Docks should help improve accessibility to Runcorn College Campus.

### **A Healthy Halton**

- 6.3. The proposed development will support regeneration of underused former industrial land and be expected to contribute towards healthy travel options.

### **A Safer Halton**

- 6.4. The proposed development will regenerate underused former industrial land and be expected to adopt design principles as contained in the Designing for Community Safety SPD.

### **Halton's Urban Renewal**

- 6.5. The proposed development should directly regenerate a significant area within a previously defined Regeneration Area and will increase the local population within the catchment of Runcorn Old Town centre and contribute towards further improving the image of the borough.

## **7.0 RISK ANALYSIS**

- 7.1. The Growth Point proposal is primarily based upon the development of land within a single ownership in a previously allocated Regeneration Area.
- 7.2. Without this, delivery of the additional units required under the Growth Point status may not be achievable without release of greenfield sites elsewhere within the Borough that the Council has not previously allocated.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1. There are no equality and diversity issues contained in the report.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of</b>	<b>Contact Officer</b>
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	<b>Inspection</b>	
The Housing Green Paper (July 2007)	Rutland House	Richard Tully
Merseyside Expression of Interest (Halton & St.Helens)	Rutland House	Richard Tully
Warrington Expression of Interest	Rutland House	Richard Tully
Mid-Mersey Letter to GONW 9 <sup>th</sup> January 2008	Rutland House	Richard Tully
Mid-Mersey Letter to GONW 14 <sup>th</sup> January 2008	Rutland House	Richard Tully
Mid-Mersey Letter to GONW 31 <sup>st</sup> January 2008	Rutland House	Richard Tully
GONW Letter conferring Growth Point Status 8 <sup>th</sup> August	Rutland House	Richard Tully
Mid-Mersey Community Infrastructure Bid	Rutland House	Richard Tully
Mid-Mersey Programme of Development	Rutland House	Richard Tully
DCLG Assessment Pro-forma	Rutland House	Richard Tully
DCLG Growth Fund allocation announcement - 8 <sup>th</sup> December 2008	Rutland House	Richard Tully
Growth Point Partnership Board Committee pack 2 <sup>nd</sup> September 2008	Rutland House	Richard Tully
Growth Point Partnership Board Committee pack 20 <sup>th</sup> October 2008	Rutland House	Richard Tully
Growth Point Partnership Board Committee pack 2 <sup>nd</sup> February 2009	Rutland House	Richard Tully
Growth Point Partnership Board Committee Pack 5 <sup>th</sup> May 2009	Rutland House	Richard Tully
Growth Point Partnership Board Committee pack 20 <sup>th</sup> August 2009	Rutland House	Richard Tully