

Cabinet – 15 July 2009

Black Country New Growth Point

Portfolio:	Councillor Andrew, Deputy Leader and Regeneration
Service:	Housing Strategy and Partnerships Development and Delivery
Wards:	All
Key decision:	Yes
Forward plan:	No

1. Summary of report

In December 2008 the Black Country was awarded £8.3m of New Growth Point funding by Communities and Local Government (CLG) for 2009/11, of which Walsall should receive approximately £1m. The funding is aimed at assisting the provision of new homes, by contributing to infrastructure and associated costs. This report seeks approval to manage these funds in the agreed priority areas, but with delegated authority to agree any subsequent changes. It is anticipated that this will facilitate the delivery of over 300 homes. All schemes across the Black Country will need to be agreed through the Black Country Regeneration Directors Group.

2. Recommendations

- 2.1 That Cabinet agree the priority schemes for New Growth Point (NGP) funding 2009-11 as the housing development schemes at Waterfront South, Walker Road/Barracks Lane and Bentley Local Centre. In addition, that Cabinet agree environmental improvements at the Arboretum as a priority project to support creating the environmental conditions within Walsall to support and attract quality residential development. .
- 2.2 That authority be delegated to the Executive Director for Regeneration Services, to agree subsequent changes to individual elements of the programme, in consultation with the Portfolio Holder for Regeneration.

3. Background information

- 3.1 In October 2008 the Black Country Consortium and the four Black Country Districts submitted a bid for £13.735M for a Black Country Programme of Development (POD) for Housing Growth Point funds. The bid had been jointly prepared by the Consortium and the four Black Country local authorities.

- 3.2 Growth Point proposals needed to meet CLG criteria to demonstrate 'accelerated, additional economic and housing growth'. Proposals also needed to be compatible with the Regional Spatial Strategy (RSS), contribute to cross Government priorities and lever in private sector contributions. Projects needed to show clear linkages to housing priorities and clear deliverability within the programme timescale.
- 3.3 On the 9th December 2008 the Government announced the award to the Black Country of £8,339m to be spent over the financial years 2009/10 and 2010/11. This settlement of almost 61% of the bid was a reflection of the quality of the bid which was deemed to be of exemplar standard.
- 3.4 The priority schemes for submission were agreed by The Black Country Regeneration Directors, based on strategic fit and deliverability. Walsall's priority schemes of Waterfront South, Walker Road/Barracks Lane and Bentley Local Centre are priorities within the Strategic Regeneration Framework (SRF), Walsall Regeneration Company's (WRC) Prospectus For Growth and form part of the Regional Funding Advice (RFA) 2 development. A key task outlined in the Black Country Study highlighted the need to ensure that the Black Country has a quality environment within which to attract quality residential development and economic prosperity. As a result the Walsall element of the NGP includes a contribution to the Walsall Arboretum Heritage Lottery project supporting an increased quality of life for Walsall's existing and future residents. The Association of Black Country Authorities (ABCA) met on 20th March 2009 and approved the principle of distributing funds between the districts. The programme was modified to include funding of the Walsall Arboretum project.
- 3.5 As the Black Country and Walsall were not awarded the full amount bid for, it may not be possible to spread the NGP monies across all the housing development areas. In addition, current housing schemes may need to change or be substituted dependant on deliverability which is affected by external factors, particularly in the current economic climate. The report seeks delegation to manage these changes to enable successful spend of the funding and delivery of new housing and enhanced public realm.
- 3.6 Sandwell is the accountable body charged with ensuring that the Black Country Growth Point funding is used in an appropriate manner. Sandwell propose to manage the delivery of the POD by setting up a small Strategic and Enabling Development team (S.E.D.) supported by Sandwell finance officers and funded from the Growth Point allocation.
- 3.7 It is proposed that the appraisal of each project will be carried out by a Growth Point Appraisal Group (GPAG). The Membership of that Group will be determined by the Planning Leads. Each Authority will have a representative on the Group who will stand down when their own projects are assessed.
- 3.8 Planning Leads will receive reports from the GPAG and make recommendations to the Black Country Regeneration Directors Group for decision. The Black Country Regeneration Directors will meet with stakeholders including Advantage West Midlands (AWM), and meet quarterly to consider reports prepared by Sandwell officers on progress on the POD.

- 3.9 Once projects are approved then Sandwell as the accountable body will release funds on receipt of invoices.

4. Resource considerations

4.1 Financial:

The Black Country has been allocated £8.338,998 from the CLG's new Growth Point Fund. The funding breakdown for Walsall is:

Walsall Council	2009-10 £'000	2010-2011 £'000
Housing Projects (Waterfront South, Walker Road/barracks Lane, and Bentley Centre	250	247
Arboretum	500	0
Total	750	247

The funds should be spent on projects that will lead to overall housing growth. The Homes and Communities Agency (HCA) is the administering body for the NGP.

A detailed grant agreement will be put in place between Walsall Council and Sandwell Council to agree the process for securing the grant funding.

4.2 Legal:

There will need to be a legal process and protocol developed to underpin the implementation of the initiative to clarify the relationship with Sandwell as the accountable body. We will also need to have robust grant conditions in place with the recipient developer to secure the investment.

- 4.3 **Staffing:** There are no significant implications in terms of IT or human resource staffing as a result of managing these funds.

5. Citizen impact

The NGP funding will be used to meet Walsall Housing Strategy's aim of increasing the number of homes in Walsall to meet the needs and aspirations of Walsall residents. Enhancements to the public realm at Walsall Arboretum will provide the right environment to encourage new house building and create high quality open spaces for our citizens.

6. Community safety

The creation of safe and attractive neighbourhoods is a key priority for the council. The incorporation of secure by design principles in property improvements and public realm work will be a key requirement for projects developed through this funding.

7. Environmental impact

- 7.1 The funding will assist with the transformation of vacant sites, providing new housing on brownfield sites. New housing will achieve level 3 of the Code for Sustainable Homes (CSH), providing more energy efficient homes.
- 7.2 Enhancements to open spaces at the Arboretum will improve the local environment and people's quality of life.

8. Performance and risk management issues

8.1 Risk:

- 8.1.1 There is a risk in the current market that developments will not proceed. Excellent partnership working between the council, the HCA, developers and WRC will ensure this is a low to medium risk.
- 8.1.2 The projects are dependant on the receipt of other external funding from the HCA, including National Affordable Housing Programme (NAHP) and Kickstart. Both these funds are administered by the HCA. The risk of the projects not attracting this external funding is low to medium as we have an excellent working relationship with the HCA and have demonstrated that these projects have Strategic Fit with the HCA's business aims.
- 8.1.3 Sandwell Council has not yet received the NGP allocation from the HCA. The allocation is likely to be received in July. The risk that the funds will not be received at all, or too late for the required project milestones is low.
- 8.1.4 Walsall Council will be required to fund the development contributions and then claim the NGP funds from Sandwell monthly in arrears. The risk that Sandwell would not make the payment would be low as this process will be subject to a grant agreement between Sandwell and Walsall Councils.

8.2 Performance management:

- 8.2.1 Funding being delivered on agreed projects will significantly contribute to Walsall's target for NI154 - Net additional homes provided.

9. Equality implications

An increase in new housing and improved standards will create wider housing choices in the affordable and private sector and will increase social and economic inclusiveness by making housing accessible to people with lower incomes.

10. Consultation

The list of priority sites was consulted on with the Black Country Regeneration Directors Group.

Background papers

- Walsall Housing Strategy 2008-2011
- Walsall's Strategic Regeneration Framework (SRF) 2006
- Walsall Regeneration Company's (WRC) Prospectus 2008

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