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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 14</b>
<b>DATE OF MEETING:</b>	<b>12 JUNE 2008</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY SERVICES</b>	<b>OPEN PARAGRAPH NO: N/A</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>IAN BOWEN (EXT. 5821)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>ESTABLISHMENT OF DERBY HMA JOINT ADVISORY BOARD AND PROPOSALS FOR CAPITAL AND REVENUE GROWTH POINT FUNDS SPENDING 2008/09</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM</b>

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## **1.0 Recommendations**

Council be recommended:

- 1.1 That the terms of reference for the Derby Housing Market Area (HMA) Joint Advisory Board be approved;
- 1.2 That a member be nominated to the Derby HMA Joint Advisory Board;
- 1.3 That National Growth Point funding be received and spent on the capital and revenue projects proposed in this report.

## **2.0 Purpose of Report**

- 2.1 To recommend Council to authorise the establishment, terms of reference and membership of the Derby HMA Joint Advisory Board. Also, to similarly recommend to Council receipt and spend of capital and revenue funding from the Derby HMA Growth Point fund for 2008/09.

## **3.0 Background**

- 3.1 The draft Regional Spatial Strategy (RSS) requires the preparation of co-ordinated Local Development Frameworks (LDFs) across the Derby Housing Market Area (HMA) – comprising Derby City, Amber Valley Borough and South Derbyshire District Councils. In addition the Derby HMA has been declared a National Growth Point (NGP). Within Growth Points, local authorities are eligible to bid for funding to support the delivery of infrastructure needed to support new housing growth arising from Regional Spatial Strategies.

- 3.2 These two areas of work rely upon effective liaison between the three Derby HMA authorities and Derbyshire County Council. Until now, liaison has been conducted on an informal basis. However, the respective LDF Core Strategies in the Derby HMA are now approaching the first public consultation stages and the first tranches of growth point funding for the Derby HMA are coming on stream in 2008/09. There is therefore an urgent need to establish formal arrangements for member liaison across the Derby HMA.
- 3.3 This report sets out recommendations for the establishment of a Derby HMA Joint Advisory Board and also recommends capital and revenue spending programmes for NGP funding for 2008/09 and beyond. It is being recommended that a single Joint Advisory Board would be appropriate in guiding both LDF and growth point matters.
- 3.4 Given the need for swift action, this item is being reported to this Committee as the first available meeting. The resolution will be referred for decision to Council on 3 July 2008.

#### **4.0 Detail**

- 4.1 A meeting comprising relevant Committee Chairs/Portfolio Holders and Chief Executives from each of the four local authorities was held on 29th April 2008 where the need and terms of reference for a Derby HMA Joint Advisory Board (JAB) were considered. As Chair of Environmental and Development Services, Councillor John Bladen attended on behalf of South Derbyshire District Council.
- 4.2 At the meeting the terms of reference (attached at Appendix 1) were agreed for recommendation to individual authorities. It is important to note that the JAB would have no executive powers and would make recommendations only to the relevant local authorities in the Derby HMA.
- 4.3 The meeting also considered the receipt and spend of Growth Point monies for 2008/09 and beyond on a number of capital and revenue projects. The background and recommendations on this are set out below:
- 4.4 In December 2007, the Government awarded growth point funding to the "Three Cities" sub-area as a whole. This area includes the three cities and three county areas around Leicester, Derby and Nottingham (also referred to as the "6Cs"). The funding totalled £11,701,448 capital and £1,272,622 revenue for 2008/09. There was also an indicative allocation for the following two years (2009/10 – 2010/11) of £22,422,881 capital and £1,781,671 revenue.
- 4.5 Of the above, the Derby HMA will receive £2,590,000 capital in 2008/09 with an indicative minimum allocation of £2,200,00 for each of the next two years.
- 4.6 For revenue spend, the total has been top-sliced to provide for a 6Cs Project Manager and a Strategic Green Infrastructure Co-ordinator. Each HMA has then been allocated £350,000 for 2008/09 with an indicative minimum allocation of £250,000 for each HMA in each of the next two years.
- 4.7 An initial Programme of Development had been submitted to Government in October 2007 including a range of potential eligible projects across the Derby HMA which would benefit from Growth Point funding. The total cost of these projects would however substantially exceed the funding which has now been confirmed as available for the Derby HMA.

- 4.8 There is therefore a need to determine capital and revenue spending for 2008/09 and revisit the longer term Programme of Development tailored to the funds available.

**Capital Spend:**

- 4.9 The starting point for the allocation of capital spend between the authorities has been the proposed distribution of housing numbers in the RSS Review. The proposed projects also take some account, however, of the role of Derby in providing for people living beyond its boundaries particularly on future urban extensions to the City. Consideration has also been given to locations where there has been and continues to be recent rapid development (e.g. Hilton, Swadlincote and Littleover). A further key consideration has been to identify projects for 2008/09 which can realistically be delivered without delay and ideally within the financial year.
- 4.10 Taking these factors into account, a list of capital projects across the HMA has been drawn up which are proposed for growth point funding in 2008/09. These are set out in detail in Appendix 2 with South Derbyshire projects being on pages 2 and 3. The total amounts proposed within each local authority area are as follows:

Amber Valley	£680,000
Derby City	£1,550,000
South Derbyshire	£735,000

- 4.11 Amber Valley and South Derbyshire's proposed spending includes £250,000 on highways and public transport measures which would be carried out by Derbyshire County Council.
- 4.12 The proposals represent an overspend of around 15%. This degree of overprogramming would allow for slippage in the programme and could also enable a transfer of funds to the HMA should additional resources become available e.g. because of an underspend elsewhere in other Growth Point areas.
- 4.13 The Programme also indicates a 'pool' of projects which could be funded over subsequent years. This will be refreshed over the summer and, following consideration at the JAB, will be reported back to this Council for approval.

**Revenue Spend:**

- 4.14 The emerging RSS requires increasingly close collaborative work between HMA authorities on Local Development Frameworks. In particular, there are significant revenue pressures arising from the need to procure background evidence. Much of this work can be undertaken jointly within HMAs and it is proposed that joint studies should be the main use of the revenue funds in 2008/09. Transport and water cycle studies are particular priorities.
- 4.15 However the management of the NGP programme and preparation of co-ordinated Core Strategies also places additional burdens on current staff resources. Accordingly, it is being recommended that three posts be established for a fixed period until April 2011. The posts would provide assistance in relation to the Growth Point Programme, co-ordinated LDF work and transport co-ordination. The posts would be a shared resource for all four authorities and would be based and administered from Derby City Council's offices. Assuming the posts are filled by the end of July, total estimated revenue costs including all on-costs, advertising and set up costs should be in the region of £85,000. This would leave a balance of around

£265,000 for joint studies. Full year revenue costs would be approximately £125,000.

## **5.0 Financial Implications**

- 5.1 None arising directly from this report but care will be needed in assessing the VAT implications of projects which are associated with functions already generating VAT exempt income or are likely to generate it in the future.

## **6.0 Corporate Implications**

- 6.1 Growth Point funding will assist in delivering capital projects which directly relate to housing growth which could not otherwise be funded by the Council. Revenue funding will also enable work on the Local Development Framework to be better co-ordinated with the other Derby HMA authorities and underpinned by robust technical evidence, particularly in relation to transport. In particular, the recommendations address Theme 6 of the Council's Corporate Plan: 'Stronger in the Region'.

## **7.0 Community Implications**

- 7.1 Growth Point funding will enable the provision of community infrastructure and services needed to support housing growth as well as benefiting existing residents.

## **8.0 Background Papers**

- 8.1 Reports to Derby Housing Market Area Joint Advisory Board, 29th April 2008.