

Report of	Meeting	Date
Corporate Director (Business) (Introduced by the Executive Member for Business)	Executive Cabinet	2 October 2008

GROWTH POINT – PROGRAMME OF DEVELOPMENT

PURPOSE OF REPORT

1. To inform Members of the next stage in the Growth Point and set out the proposals as they apply to Chorley Borough.

RECOMMENDATION(S)

2. To note the information contained in this report and endorse the action being taken in developing the Central Lancashire and Blackpool Growth Point Programme of Development for submission by the deadline of 27th October.
3. That Programme of Development be submitted on behalf of the Borough Council by the Corporate Director (Business) in consultation with the Executive Member for Business and the Leader of the Council.
4. Chorley's involvement in the Growth Point initiative will be subject to Executive Cabinet approval following the Governments announcement on the details of any settlement up to which time the Council reserves the right to withdraw from the process.

EXECUTIVE SUMMARY OF REPORT

5. Following the approval of the Growth Point Expression of Interest the Government has asked for a Programme of Development. This will set out the details of the proposed development sites including any associated infrastructure costs and when the sites are due to be developed. In addition the Government have invited bids for funding from the Community Infrastructure Fund (CIF2). Chorley's involvement in the Expression of Interest was on the basis that the accelerated growth would deliver badly needed affordable housing quicker which is a corporate priority. However this was to be done on the basis that it would not exceed the amount of housing development set out in the Regional Spatial Strategy (ie approx 455 houses per annum) and would not include any new greenfield sites in the Greenbelt. The Government has said that any proposals should go through the Local Development Framework process and be included in the Core Strategy. Consequently Chorley's current contribution to the Growth Point is modest and as most of the infrastructure and affordable housing contributions have been negotiated the main benefit will be the delivery of affordable housing which should be quicker than would otherwise be the case. A bid has been submitted to the CIF 2 for Buckshaw Station to cover the increase in costs. The details of any settlement associated with the Growth Point and the Programme of Development will not be known at the earliest in February 2009 when an announcement is due.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- 6. The Programme of Development submission needs to have the support of each Council.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 7. None in view of the above.

CORPORATE PRIORITIES

- 8. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region	X	Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	X
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	

BACKGROUND

- 9. Members will be aware of the Government announcement in July that the Growth Point Expression of Interest submitted in October 2007 had been successful in being taken forward to the next stage. The submission was made jointly by the Central Lancashire authorities (Preston City Council, Chorley Borough Council and South Ribble Borough Council supported by Lancashire County Council) and Blackpool Council.
- 10. The purpose of Growth Points is to uplift new housing provision by about 20% above the figures set out in the emerging Regional Spatial Strategies (RSS). That for the North West of England is due to be approved by the Secretary of State at the end of September 2008. Members will recall that the figures set out in the North West RSS proposed changes published in March 2008 provided for housing provision between 2003 and 2021 of 9,120 net new units in Preston and 7,500 net new units each in Chorley and South Ribble. In addition Blackpool is required to provide 8,000 net new units during that period. The Secretary of state also removed reference to these figures as being maxima. The Growth Point will run to 2017 so in practical terms the requirement is to provide approximately an additional 4,500 units above RSS in the growth point area up to that date.
- 11. A key requirement will also be the delivery of affordable housing and an important component of taking the bid forward will be to ensure sufficient affordable housing is included in the overall new housing mix to meet identified needs. These needs will be established through Strategic Housing Market Assessments that are being prepared as part of the Local Development Framework process.
- 12. Clearly there will be some areas where delivery of additional units can be brought forward early in the Growth Point process, while in other areas there will be a requirement for infrastructure to be first put in place, or other constraints to be overcome before sites can be developed. The next stage in the bidding process is to produce a Programme of Development. This will need to identify which sites are envisaged for housing development and over what period of time. The Programme of Development will also specify the funding that will be required to support the provision of related infrastructure (of all types) and particularly what finance is being sought under the Growth Point initiative, for which approximately £200 million is available nationally.

13. The Programme of Development can differ from the Expression of Interest bid document. For example full account will need to be taken of the current housing market situation and how this might change. It will be necessary to aim to predict the level of likely house building through to 2017. In view of the current economic downturn it is likely that slower than previously envisaged house building will occur over the next 2 to 3 years. It may well be possible to accommodate at least this initial level of development on already committed sites, and probably for the whole period in Chorley. This would then allow time for the Local Development Framework documents to be advanced to bring forward new sites (especially elsewhere in Central Lancashire and Blackpool) for development thereafter. The house building predictions arising from this will need to be reflected in the Programme of Development.

FUNDING

14. Progress to the next stage in the Growth Point bid brings some funding with it. There is a small amount of revenue funding to enable the bid to be worked up in the detail required for the Programme of Development. The initial tranche of this funding is £150,000 and Lancashire County Council will be the accountable body although it is envisaged that decisions on expenditure will be made by the partner authorities collectively.
15. All Growth Point partnerships that have been successful up to this point have also been invited to submit bids to round 2 of the Community Infrastructure Fund. This fund is ring-fenced for capital infrastructure projects related to transport and needs to be spent on specific projects by 2011. The deadline for submissions was 15th September and four projects have been identified in the Growth Point area:
 - Junction improvements M55/A6 and development of park and ride at Broughton
 - Buckshaw Village – contribution to the development of Buckshaw Parkway Station
 - Junction improvements, bus priority provision and improved provision for pedestrians and cyclists at various locations in South Ribble
 - Integrated sustainable transport provision in Blackpool.
16. It is expected that there will also be further rounds of CIF bidding so further potential projects will be worked up as the Programme of Development evolves.
17. In addition to the Community Infrastructure Fund, Growth Point partnerships are also able to bid into a growth fund, which is neither time limited nor ring-fenced and is available for both revenue and capital block funding to local authorities and partnerships based on an assessment of their Programmes of Development. As an unringfenced grant, with the exception of reflecting the split between capital and revenue there will be no grant conditions about how or when it is spent. It will be for local authorities to prioritise how the funding is used in their area. A total of £100M is available through this fund. Bids will need to be worked up as the Programme of Development is taken forward. Assurances have also been given that Government agencies will give Growth Points priority for spending. There is however of course no guarantee that the bids for funding will be successful.

LOCAL DEVELOPMENT FRAMEWORK AND GOVERNANCE

18. The Government has indicated that Growth Points should be delivered through the statutory planning process and progress on that process will be a key factor in taking forward growth points from this stage. In Central Lancashire this means effectively that work on the Programme of Development will be proceeding in parallel with production of the Joint Core Strategy (note however that the plan period of the Core Strategy extends a further 9 years to 2026). In particular the growth point proposals will be subject to the rigorous preparation and examination requirements of the LDF process. It is important that moving forward on two fronts simultaneously in this way is adequately resourced to ensure the success of both initiatives. This is one area where the opportunities for funding through the Growth Fund should be explored as the Programme of Development is worked up.
19. Linked to delivery of the programme is the issue of governance. The Growth Point is being delivered through a partnership and how that will be governed will have to be set out in the Programme of Development. A key requirement of the Programme is that a robust delivery mechanism/structure is agreed in which the full governance arrangements are established going forward. Work is currently taking place on identifying a range of options for governance of the Growth Point.

NEXT STEPS

20. The Programme of Development has to be produced by a deadline of 27th October. Work is continuing to take that forward to submission by that date and the outcome is expected by February 2008. If approved, from that date onwards the Programme would be a “living” document subject to alteration and refinement as proposals are worked up in more detail. Members are asked to endorse the work that is being carried out to progress the Programme of Development and its submission by 27th October.
21. Members should note that the Growth Point area is receiving a visit by Civil Servants from CLG and GONW on 25th September. The outcome will be reported to Members.

CHORLEY PERSPECTIVE

22. The Chorley sites provisionally identified in a first draft of the Programme of Development are all sites which either have planning permission or are allocated for development in the Local Plan. Buckshaw Village Group 1 is included in the latter category although a planning application has now been submitted. This and the other named sites were all listed as possible development locations in the original Expression of Interest bid. However in common with all the other local authority areas in the Growth Point the expected rate of development in the early years of the Growth Point has been slowed down to take account of the current slow down in house building and the likelihood this will continue for 2 or 3 years before recovering.
23. In addition to identified sites there is an assumption that there will be development on other sites (of less than 30 dwellings in number) in line with past trends – many of these sites already have permission. The overall amount of house building that can be achieved in Chorley Borough on this basis is estimated to be 6% above Regional Spatial Strategy (RSS) levels. It is envisaged that the overall 20% provision above RSS will be made up through higher growth in other parts of the Growth Point area.
24. Under the Community Infrastructure Fund a bid has been made to cover the likely funding shortfall for Buckshaw Parkway Station. However aside from this because of the lower level of growth expected in Chorley and the fact that most of the sites here have developer contribution commitments already in place it will mean that there is likely to be little additional infrastructure funding that could be sought in Chorley Borough in future bids.

25. The aim with affordable housing will be to achieve as high a proportion as is feasible given development site viability which in turn is affected by the state of the market. However again as most of the Chorley sites in the draft Programme of Development already have planning permission the affordable housing proportions for these sites have already been decided. However the delivery of affordable housing should be quicker than would otherwise be the case.

IMPLICATIONS OF REPORT

26. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

27. There are no immediate financial implications associated with this report. In terms of financial resources available to the Council through the growth point bid, this is still unclear. However, the report highlights the fact that there is currently a significant shortfall in the resources available to fund the Buckshaw Railway Station. Therefore, a bid for funds through the growth point bid is welcomed.

JANE E MEEK
 COPRORATE DIRECTOR (BUSINESS)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Julian Jackson	5280	15 September 2008	Growth Point Chorley Cabinet Report Oct 08

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