

MERSEY HEARTLANDS NEW GROWTH POINT FUNDING BID – GROWTH FUND PROGRAMME OF DEVELOPMENT 2008/09 – 2010/11

1. EXECUTIVE SUMMARY

- 1.1 In October 2007, Wirral Council, in partnership with Liverpool City Council and Peel Holdings, submitted a joint Growth Point bid, following an invitation from the Department for Communities and Local Government (CLG) (Cabinet 18th October 2007, Minute 312 refers). The Government sought bids from areas outside the South East of England, which could bring forward a significant increase in new housebuilding in the period to 2016. The joint bid is focused on the Wirral Waters project and the surrounding Housing Market Renewal Initiative area in Wirral and North Liverpool. The Wirral Waters and Liverpool Waters projects are both included, although in Liverpool, a larger group of neighbourhoods, landowners and developers will be involved.
- 1.2 The joint bid was approved by CLG in July 2008. An initial sum of £200,000 from a national Growth Fund pot of £3 million (2008/09) has been awarded to assist in preparing a full bid into the national fund of £97 million (2009/10 – 2010/11). This report outlines the bid submitted by Wirral Council, Liverpool City Council and Peel Holdings for between £3 million and £6 million of the remaining £97 million Growth Fund. Growth Fund was announced by Government in December 2007 to support the delivery of infrastructure in local areas subject to high rates of housing growth over the Comprehensive Spending Review period 2008 to 2011.
- 1.3 An operational group of Wirral, Liverpool officers and Peel representatives has been set up, overseen by a Steering Group of senior Council officers and a Director of Peel Holdings to prepare the Programme of Development and manage Growth Fund spending. The senior steering group is to make recommendations to an Executive Board of two Wirral and two Liverpool Members.
- 1.4 This report asks Cabinet to agree the submission of a Programme of Development for the joint Wirral Council, Liverpool City Council and Peel Holdings New Growth Point bid 2008/09 – 2010/11 and to nominate two Members to attend the Growth Point Executive Board. Cabinet is also asked to endorse the use of the first tranche of Growth Fund for joint work on transport modelling and housing land availability assessment. Finally, Cabinet is asked to agree that the Chief Executive, in consultation with the Leader and Deputy Leader of the Council, signs off the submission in conjunction with the Chief Executive of Liverpool City Council, in accordance with Department of Communities and Local Government requirements, in order that the Programme of Development can be submitted by 27th October 2008.

2. The Programme of Development Process Outlined

- 2.1 Last year, first round Growth Points and Growth Areas had to provide a Programme of Development, setting out their development phasing, the need for infrastructure and the Growth Funds required to support it. Based on the experience of those first round Programmes, the Government has now issued guidance for all Growth locations, (<http://www.communities.gov.uk/publications/housing/growthfundbiddingguide>) including second round Growth Points (draft guidance was considered by Cabinet at its meeting on 26th June 2008, Minute 95 refers).
- 2.2 The guidance sets out a series of principles for Growth funding and a simple template for the Programme of Development to allow a range of bids to be assessed against the available funding. All programmes should be focused around a strategically significant town or group of towns and cities identified for growth within draft or final RSS. The programme should present a strategic view of the actions necessary to deliver growth in each area, integrating this with the Local Development Framework preparation. Identifying infrastructure needs will also assist in the development of Community Infrastructure Levy, which the Government intends local authorities to levy in order to pay for the additional infrastructure costs imposed as a result of private development.
- 2.3 The prime objective of the Programme of Development is to show how the housing growth set out in the Housing Trajectory (developed for the Local Development Framework Annual Monitoring Report and adapted for the Growth Point bid) can be supported by infrastructure improvements. The Programme should reflect RSS (including the Regional Transport Strategy), Regional Economic and Regional Housing Strategies, Local Transport Plan, Sustainable Community Strategy, Health, Education, leisure or cultural strategies and take account of the need for good design (this last element in accordance with Planning Policy Statements 1 and 3).
- 2.4 The Programme is a living document, intended to guide all organisations involved in the development of a Growth location. The need for standard information is to be addressed through satisfying the following criteria:
- (i) Setting out overall housing delivery to 2016/17
 - (ii) Robustness of the local delivery mechanisms and partnership arrangements
 - (iii) Effectiveness of partnership with the private sector
 - (iv) Scale of challenge in delivering housing growth and need for public intervention
 - (v) Past delivery performance
 - (vi) Overall soundness of the package
 - (vii) Total funding available to Communities and Local Government
- 2.5 The overall housing delivery is taken from draft/final RSS, with a brief outline of the planning context underpinning the ambition. The approach to the delivery of affordable housing should be set out, which across Wirral is intended to be up to 40% of new dwellings, subject to development viability.

- 2.6 A map is to be prepared, showing the key sites and areas for development, including key infrastructure, with descriptions of key sites and areas for development, setting out key challenges, the proposed strategy to tackle these challenges and an indication if development briefs or masterplans exist or are planned for the sites or area.
- 2.7 Statements are required on design and environmental aspirations for new development and how these will be realised, including standards or targets to be achieved. Similar statements should also be prepared on the delivery of green infrastructure, transport implications of growth, the impact of growth on the need for new, major water-related infrastructure (water supply, sewage treatment and flood risk management) and the implications for community infrastructure (including schools and healthcare).
- 2.8 The Programme of Development should show an understanding of the resources available to support the delivery of growth, including funding from mainstream Government programmes and contributions from private developers. Governance structures should be set out and the extent to which partners and stakeholders have been engaged in Programme development.
- 2.9 The Programme of Development is intended to guide the delivery of housing at a Growth location and an indication of all infrastructure dependencies should be set out, subject to its being limited to those elements related to that housing delivery. Priorities for Growth funding should be clearly presented.
- 2.10 Projects are to be split into three phases:
- (i) Projects underway or planned for 2008/09 which support delivery of the Programme
 - (ii) Medium-term projects for 2009/10 and 2010/11 to include projects identified for support from the Growth Fund
 - (iii) Longer-term projects for post 2011, with an outline of the key infrastructure necessary to support the delivery of the Housing Growth Trajectory
- 2.11 Government advice includes a standard template, to be used to prepare the Programme of Development and allow consistent appraisal. Each term in the template is scored from 0 to 5, with 0 representing no information provided and 5 that the Programme of Development term fulfils the Government's conditions absolutely.

3. Mersey Heartlands Programme of Development Summary

- 3.1 The Government has recognised the strength of the 6 North West Growth Point bids and has awarded initial funding to all 6 in order to develop their Programmes of Development. The Mersey Heartlands Growth Point area includes Liverpool City and Wirral Council areas, with populations of 436,000 and 312,300 people (2006 figures). However, the spatial focus for each of the District areas is more tightly defined, within North Liverpool's HMRI area and centred on the HMRI area and particularly Wirral Waters in Wirral.
- 3.2 Whilst Liverpool is one of the North West's two core cities, with 226,000 jobs, 87,000 of these are taken up by commuters from elsewhere in the Liverpool City Region and

economic opportunities have to be provided for less wealthy residents. Challenges remain in maintaining and accelerating growth to build an internationally competitive economy, which can create wealth and prosperity for the future. Challenges also remain in North Liverpool and Wirral, within the HMRI areas. These are the major areas of economic and social need within the two Districts.

3.3 Within Wirral, examples of the key focus on regeneration include:

(i) **Wirral Waters** early win project at Northbank, where a planning application for significant new housing is expected at the end of the year, consolidating the residential community being developed at the listed Corn Warehouses, where the first phase of 112 flats has 92 occupied and the second phase (which is not yet completed) has 20 of 66 units occupied;

(ii) **Woodside Redevelopment**, where a masterplan has been consulted upon and a planning application for a significant mixed use development on this prime site is expected at the end of the year;

(iii) **Birkenhead Town Centre**, where discussions are being held with the major owners to improve the retail and leisure offer within the town centre. Planning permission has been granted for a new supermarket, which should increase footfall within the centre;

(iv) **HMRI Activity** continues with site assembly within the Milner Street/Carrington Street area of North Birkenhead. The Council and NewHeartlands have produced a number of Neighbourhood Action Plans that are guiding HMRI activity in the Pathfinder Area. Initiatives have been prioritised in Old Chester Road in Tranmere and Fiveways in Rock Ferry. Within the Growth Point time horizon, significant investment and intervention is planned for North Birkenhead, to integrate with the Wirral Waters proposals. The areas of Seacombe/Egremont and Poulton, to the north of the dock estate, are proposed for longer-term improvement.

3.4 The housing growth trajectory includes contributions from all of these sources, together with the objective of improving the offer within Birkenhead Town Centre. Linking Birkenhead Town Centre, through North Birkenhead with the Wirral Waters proposals and into the HMRI communities to the north and south of the dock estate is one of the prime objectives that can be assisted by Growth Area status.

3.5 The Programme of Development will address the criteria set out at para 2.4 to this report to the standards required by the CLG's advice template, set out in the funding guidance. Infrastructure requirements are phased, according to the Government's requirements, with priority given to transport improvements in particular necessary to allow early delivery of major residential development.

3.6 The Growth Point bids are intended to integrate across Local Authority boundaries, involve partner organisations and engage with the private sector. Stakeholder organisations have been involved in development of the Programme of Development and at a consultation event, held on 8th October. Because the Programme of Development is a 'living document', stakeholders can be involved over the life of the Growth Point, as different issues arise. As an example, early discussions have already been held with the Highways Agency about capacity issues on the M53 Motorway, particularly through Ellesmere Port and the impact of the Mersey Heartlands and West Cheshire Growth Points. Private sector engagement is guaranteed, with Peel Holdings' interests in Wirral and Liverpool Waters.

3.7 The total Growth Point bid breaks down as follows:

Growth Fund bid estimated costs

	2008/09	2009/11	Post 2011	TOTAL
Liverpool	£450,000	£344,000,000	£45,000,000	£389,450,000
Wirral	£450,000	£2,900,000	£10,000,000	£13,350,000
Total	£900,000	£346,900,000	£55,000,000	
Period Total				£402,800,000

3.8 These figures are indicative and in the context of a ‘living document’ subject to change. In later phases, many elements have not yet been confirmed. During 2009/11, the majority of the funding requirement is based upon a bid of £320 million for Merseytram.

4. Financial implications

- 4.1 An initial tranche of Growth Fund of £200,000 has been awarded to the Wirral/Liverpool/ Peel joint Growth Point bid. It is not known what proportion of the national figure of the remaining £97 million might be allocated to the joint bid but it is expected to be between £3 million and £6 million, dependent upon the quality of the joint bid and other competing bids.
- 4.2 The Government has issued guidance on the Regional Funding Allocations (http://www.hm-treasury.gov.uk/media/B/1/regional_funding_advice300708.pdf) for the period 2008-2011. Regional Funding Allocations (RFA) cover local authority block allocations for integrated transport and maintenance (from 2011/12), former English Partnerships programmes, Growth Funds, European Regional Development Funds (ERDF) and a Skills strand. The current round of RFA covers the Comprehensive Spending Review period of 2008-2011.
- 4.3 A total of £1.379 million in RFA is allocated to the North West region for 2008/09, £1.385 million for 2009/10 and £1.345 million for 2010/11. This is allocated to defined sectors: Transport capital schemes, Housing and Regeneration capital and revenue, Regional Development Agency single budget capital and revenue and ERDF.
- 4.4 Community Infrastructure Fund (CIF) is not broken down into regional allocations. The Government announced a second round of CIF funding of £200 million for all Growth Areas, Growth Points and Eco Towns in November 2007. Community Infrastructure Fund is a capital grant allocation, with awards ranging from £600,000 to £8 million per project. Wirral has submitted a £3 million CIF2 bid for highway infrastructure improvements to 4NW (the successor body to the North West Regional Assembly).

- 4.5 Both Wirral and Liverpool have submitted CIF2 bids in support of the Growth Point and the Programme of Development. This funding has to be spent by 2011 and has therefore been directed at early wins, particularly for transport infrastructure.
- 4.6 The Programme of Development seeks funding of £402 million from the Growth Fund over the period 2008/09 to 2016. With a fund of £97 million available across 21 Growth Points for 2009/10 and 2010/11, the bid of £900,000 for the first phase is reasonable, assuming that successful bids would receive between £3 million and £6 million. It is likely that discussions with GONW will be needed to determine the likely priorities that might be supported within the second phase, which currently totals £346 million (but includes £320 million towards Merseytram).
- 4.7 Growth Fund awards for 2009/10 and 2010/11 will be paid to successful Growth Point bids in two tranches, one at the beginning of each financial year. The Growth Fund provides unringfenced block grant, with the only stipulation that capital allocations must be used for capital schemes. There is no requirement to spend the funding within the financial year in which it is paid, or the Comprehensive Spending Review period to which it relates. All appraisal, monitoring, financial management, governance and audit of individual projects become the responsibility of the lead authority for the payment of grant.

5. Staffing implications

- 5.1 There are no implications arising directly from this report.

6. Equal Opportunities implications

- 6.1 There are no implications arising directly from this report.

7. Community Safety implications

- 7.1 There are no implications arising directly from this report.

8. Local Agenda 21 implications

- 8.1 There are no implications arising directly from this report. However, infrastructure improvements which enable the development of a sustainable community at the heart of the Housing Market Renewal Initiative area are intended to reduce the need to travel and provide local employment and improved housing choice.

9. Planning implications

- 9.1 Whilst the joint Growth Point bid has been approved in principle by CLG, it has little status as a material consideration in development plan terms. However, the increase in housing development focused on Wirral Waters is in a sustainable location, using previously developed land in the spatial priority area with RSS. Following Government advice received on 26th February 2008, from Baroness Andrews, Regional Spatial Strategy housing requirement figures are no longer maxima but can be exceeded, if they do not harm regeneration of the HMRI area.
- 9.2 The aspiration to deliver 600 net new dwellings per year in Wirral (a 20% increase on the revised final RSS figure of 500 net) is therefore consistent with RSS, if that

delivery is focused within the regeneration priority area of East Wirral, particularly in Wirral Waters and the HMRI area.

9.3 The spatial strategy and the infrastructure requirements of the New Growth Point bid will be incorporated within Wirral's Local Development Framework Core Strategy.

9.4 Individual infrastructure proposals identified in the Programme of Development may require planning permission.

10. Anti-poverty implications

10.1 The Growth Point proposals are intended to support the regeneration of some of the Borough's poorest communities and to improve the economic conditions of residents within them.

11. Human Rights implications

11.1 There are no implications arising directly from this report.

12. Social Inclusion implications

12.1 The Growth Point bid is intended to regenerate the core of the HMRI area and allow for effective engagement of residents. This is consistent with the Council's objectives for Wirral Waters and the Council's Corporate Objectives 'To create more jobs, achieve a prosperous economy and regenerate Wirral' and to 'To create a clean, pleasant, safe and secure environment'.

13. Local Member Support implications

13.1 There are no implications arising directly from this report.

14. Background Papers

14.1 The following background papers have been used in the preparation of this report:

(i) Growth Fund Programme of Development Guidance, DCLG, July 2008

<http://www.communities.gov.uk/publications/planningandbuilding/worldheritagesitesconsultation>

(ii) Housing Growth Fund Allocations, DCLG, August 2008

(iii) Second Round Growth Points – Partnerships for Growth, DCLG, July 2008

<http://www.communities.gov.uk/publications/housing/partnershipsforgrowth>

(iv) New Growth Points: Partnership for Growth with Government – Mersey Heartlands, letter from Henry Cleary, CLG to Wirral Chief Executive, 23rd July 2008

(v) Liverpool City Council Local Development Framework Core Strategy Preferred Options, March 2008

http://liverpool-consult.limehouse.co.uk/portal/planning/cspo/cspo?pointId=project_15

- (vi) Prosperous Places - Taking forward the Review of Sub-National Economic Development and Regeneration, BERR, March 2008

<http://www.berr.gov.uk/files/file45468.pdf>

- (vii) Taking forward the Review of Sub-National Economic Development and Regeneration, BERR, December 2007

<http://www.communities.gov.uk/documents/citiesandregions/doc/201.doc>

- (viii) Community Infrastructure Fund: Round 2 Bidding Guidance, CLG and DfT, April 2008

<http://www.communities.gov.uk/publications/housing/communityinfrastructurefund>

- (ix) Transforming Places; changing lives, A framework for regeneration, CLG, July 2008

<http://www.communities.gov.uk/documents/citiesandregions/pdf/896104.pdf>

- (x) Regional funding advice: guidance on preparing advice, HMT, BERR, DfT, CLG, DIUS, July 2008

http://www.hm-treasury.gov.uk/media/B/1/regional_funding_advice300708.pdf

RECOMMENDATIONS

- (1) That Cabinet agrees the submission of a Programme of Development for the joint Wirral Council, Liverpool City Council and Peel Holdings New Growth Point bid.
- (2) That Cabinet endorses the use of first tranche Growth Fund for joint commissioning with Liverpool City Council of transport modelling and a Strategic Housing Land Availability Assessment for the Growth Point area.
- (3) That Cabinet nominates two Members to attend the Growth Point Executive Board.
- (4) That Cabinet authorises the Chief Executive, in consultation with the Leader and Deputy Leader, to agree the final content of the Programme of Development and that the Chief Executive signs off its submission in conjunction with the Chief Executive of Liverpool City Council.

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