

NORTH LINCOLNSHIRE COUNCIL

REGENERATION CABINET MEMBER

GROWING PLACES FUND

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The purpose of this report is to inform the Regeneration Cabinet Member on the Growing Places Fund announcement.
- 1.2 Seek approval to work with both the Humber and Greater Lincolnshire Local Enterprise Partnerships (LEPs) to develop proposals for the Growing Places Fund.
- 1.3 To agree to North Lincolnshire Council being put forward to the Humber LEP for consideration to be the accountable body for the Growing Places Fund.

2. BACKGROUND INFORMATION

- 2.1 The £500 million Growing Places Fund was announced by Department for Communities and Local Government (DCLG) on 7th November 2011. The Fund's purpose is to help boost economic growth by kick-starting the required infrastructure to enable the creation of new jobs and homes by getting stalled projects moving again. All £500 million will be allocated from the end of January 2012.
- 2.2 The Fund will 'kick start' developments that are currently stalled due to the current economic climate and will deliver key infrastructure that creates jobs. Sustainability is also of key importance, the fund will provide flexibility to local areas to recycle funding for other projects once development is completed.
- 2.3 The Fund will put local businesses and organisations in the driving seat with the 38 LEPs being able to apply for the funding and then take decisions about what to prioritise locally.
- 2.4 The Growing Places Fund can be used to establish revolving funds to take forward a range of projects that can help facilitate economic growth, jobs and house-building in the local area, providing returns which can be re-invested locally. Through this, LEPs will be able to offer secure funding to developers in their area, making it quicker for projects to get off the ground but also securing a return on that investment for the local area.

2.5 Types of projects could include:

- early development of strategic link roads and access works to unlock major mixed-use developments, enabling the delivery of homes and commercial space - leading to the creation of jobs and securing private investment
- provision of flood storage capacity to enable development of homes, employment space and retail space; and
- works to improve local connectivity and reduce congestion through interventions such as extending dual carriageways, enabling developments to be taken forward sustainably.

2.6 LEP areas will receive an allocation based on a clear formula. The formula will be a mix of population and employed earnings data for each LEP area. The reason for this formula approach is transparency, fairness and speed. DCLG will distribute the funds as an unringfenced grant to local authorities. This will therefore require a single lead local authority to act as 'banker' for each allocation. The accountable body will receive a 2% management fee.

2.7 North Lincolnshire is a member of both the Humber and the Lincolnshire LEPs. The provisional allocations of funding are £5,816,714 for Humber LEP and £6,493,608 for Lincolnshire LEP. All LEPs will be invited to submit proposals for their allocations, outlining how they plan to use the funding on local infrastructure projects.

2.8 In areas such as North Lincolnshire where they are members of more than one LEP an adjustment has been made to equally split these proportions between the LEPs in question. In practice, this means that the entitlement of funding as a result of a single area is split equally between those LEPs it falls within. Therefore North Lincolnshire's entitlement will be split 50/50 between Greater Lincolnshire and the Humber LEPs.

2.9 At this stage it is not known whether the allocation can be pooled where it has been split across two LEP areas if it will have greater effect in terms of job creation. It is suggested that this be explored in more detail with the LEPs and DCLG.

2.9 DCLG and the Department for Transport (DfT) are responsible for the fund although there is a cross-Government effort of engagement and support in working up the proposals from individual LEPs. It is anticipated that in future the Government may reward successful LEPs (ie those which achieve a good track record of investment and recycling of the fund) with potential additional Government investment in the future.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 – to work with the Humber and Greater Lincolnshire LEPs to work up proposals for the fund to ensure that infrastructure schemes already identified and planned that will deliver key job creation can be commenced earlier than scheduled.
- 3.2 Option 2 – to work with the Humber and Greater Lincolnshire LEPs as in Option 1 but to put forward North Lincolnshire Council to act as accountable body for the fund for consideration by the Humber LEP.
- 3.3 Option 3 – to do nothing.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 – will deliver one of the Council's key priorities to create new job opportunities in North Lincolnshire and ensure that scheduled stalled schemes can be implemented quicker than anticipated. It will allow the realisation of much wider benefits within a much shorter timescale both within North Lincolnshire and the wider economic locality.
- 4.2 Option 2 – as above but will confirm the commitment of the authority to deliver critical infrastructure schemes across the Humber region that will provide benefits to the wider area.
- 4.3 Option 3 – is likely to have a negative impact on the current position on the stalled schemes. It would not realise any benefit to the area or wider region in terms of investment or job creation. If stalled schemes are not brought forward there is a risk that these may slip further and the potential jobs expected to be created could be diverted elsewhere where infrastructure schemes have been implemented both within and outside the region.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 The accountable body will be responsible for the financial management of the Growing Places Fund for the individual LEP areas but as yet this is still to be discussed and agreed by the LEPs. If North Lincolnshire Council was asked to become the accountable body for this fund it would attract a 2% Management and Administration fee of £116,334.28 (based on the indicative allocation). This will cover costs of co-ordinating, staffing, managing and monitoring the funding programme. Should the Council be asked to become the accountable body it would be subject to a separate report to Corporate Services when further details are known.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER)

6.1 There are no other implications at this stage and any project funded through the fund within North Lincolnshire will be subject to a separate report to the appropriate Cabinet Member.

7. RECOMMENDATIONS

7.1 That the Regeneration Cabinet Member note the information on the Growing Places Fund.

7.2 That North Lincolnshire Council work with the Humber and Greater Lincolnshire LEPs to identify schemes for the Growing Places Fund and explore the opportunity to pool allocations.

7.3 That the Humber LEP be informed that North Lincolnshire Council is willing to act as the accountable body for the Growing Places Fund.

HEAD OF REGENERATION AND PLANNING

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Background Papers used in the preparation of this report - None