

# Agenda Item 11

Executive Board

30 April 2008

FM



Exeter and East Devon New Growth Point Funding Allocation 2008/09 Growth Area Projects Capacity and Staff

## Summary

The purpose of this report is to confirm the announcement of the Department of Communities and Local Government (DCLG) Growth Point funding allocation for Exeter and East Devon New Growth Point and to begin the process of allocating the grant for 2008/9 financial year, in accordance with the funding bids that were put forward in the approved Growth Delivery Plan. In particular, this report seeks to obtain approval for the appointment of a project manager and communications officer to provide increased capacity of the Delivery Team to drive forward the growth agenda in the West End and Exeter Growth Point.

## Recommendations

1. That Executive Board note the DCLG award for 2008/09 of £1,252,000 capital and £250,848 revenue funding for the Exeter and East Devon New Growth Point and the indicative allocation of £3,626,000 capital and £351,187 revenue for 2009/10 – 2010/11.
2. That subject to the comments of the Exeter and East Devon New Growth Point Steering Board authority be given to the New Growth Point Projects' Director to recruit:
  - a project manager on a 2 year fixed term contract
  - a communications officer on a 2 year fixed term contract (maximum of four days per week)

**The cost of which shall be funded from the New Growth Point funding**

### a) Reasons for Recommendation

The means to deliver the major projects within the Growth Area is dependant on the capacity of the delivery team to organise and manage specific tasks. Speed of delivery brings an added challenge to the exercise because of the obligation to make progress on all the major projects within the growth area within a tight time schedule. A funding proposal to extend the employment of the delivery team until 2011 and to bring in additional staff resources to the existing core team has been given a high priority within the bid document to DCLG for which funding has now been secured. A number of major initiatives are planned for this year including progress on the Local Development Framework Issues and Options paper, which will include issues of a second new community, and the airport master plan. A clear communication strategy for the work of the team will be essential to keep the projects moving toward delivery.

### b) Alternative Options

To continue to manage the projects with existing staff resources.

### c) Risk Considerations

The Growth Point Fund was announced by DCLG in December 2007. Exeter and East Devon Growth Point is being awarded £1,252,000 capital and £250, 848 revenue for 2008/09 with an indicative allocation at this stage of £3,626,000 capital and £351,187 revenue for 2009/10 –

2010/11. Figures for 2009/10 and 2010/11 are indicative and The Department cannot guarantee that indicative funding allocations will not change. The responsibility for the costs of the additional staff recruited for the second and third year will ultimately lie with East Devon District Council as the lead authority.

#### **d) Policy and Budgetary Considerations**

Support of the East of Exeter Projects Team and assistance in the delivery of their objectives supports East Devon District Council policy. The principle of the bid for funding to support the increased capacity of the team has already been agreed by the Executive Board and the Exeter and East Devon New Growth Point Steering Board when the Growth Delivery Plan was endorsed. The net additional cost of employing a Projects Manager and Communications Officer together with additional overheads for the whole team within the new office accommodation amounts to £131,485 for 2008/09. It is proposed that these additional costs be met from the New Growth Point Fund.

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- 1 Main Body of the Report
    - 1.1 The East of Exeter Projects Team submitted a Growth Delivery Plan to the Department of Communities and Local Government in October 2007. The Plan summarised the position in relation to the Exeter and East Devon New Growth Point and included growth projections for Housing and Employment up to 2026. It concluded with a number of bids for funding projects relating to the provision of transport and social infrastructure and facilitating sustainable development.
    - 1.2 The Growth Point Fund was announced in December 2007. The total amount of funding available for the 2007 Comprehensive Review Period is £732m of which £327m has been allocated to existing Growth Points. From this, Exeter and East Devon Growth Point is being awarded £1,252,000 capital and £250, 848 revenue for 2008/09 with an indicative allocation at this stage of £3,626,000 capital and £351,187 revenue for 2009/10 – 2010/11. Figures for 2009/10 and 2010/11 are indicative and will be reviewed following a consultation exercise by DCLG this spring and the resubmission of revised Programmes of Development (Growth Delivery Plan) by each area. A further £71.4m has been held back for existing Growth Points for 2009-2011 and final allocations are expected to be announced in autumn 2008.
    - 1.3 Awards of funding will be confirmed via a grant determination due to be issued shortly, with payment of the full 2008/9 award in April 2008 to East Devon District Council as the lead authority. All appraisal, monitoring, financial management, governance and audit of individual projects will be the responsibility of the lead Authority, however, it will be for the local authorities within the Growth Point partnership to prioritise how the funding is used for the area.
    - 1.4 The next steps for the Delivery Team are to undertake a comprehensive review of the existing Growth Delivery Plan, revising bids in consultation with the partner authorities in order to capture the maximum amount of the available funding and to begin prioritising funding allocations for 2008/09, which will then go forward to the Exeter and East Devon Growth Point Steering Board for approval. The new system moves away from funding individual projects to providing block funding based on assessment of the Delivery Plan. Therefore from April 2008 both capital and revenue funding will be not be ring fenced, meaning that other than reflecting the split between capital and revenue there will be no grant conditions about how or when lawful expenditure is incurred.
    - 1.5 Appendix 1 to this report contains a summary of the 2008/09 funding bids from the Growth Delivery Plan. Comparison of the total value of these funding bids against the grant awarded by DCLG currently reveals a shortfall of funding in the estimated cost of delivering all of these projects however, these will now need to be fine tuned to prioritise spending and manage the grant fund effectively. It is also necessary to have an overview of other funding sources, such

as the South West Regional Development Agency (SWRDA) and partner authorities which will supplement the grant.

- 1.6 One significant project funding bid for this year is interrelated to the others in so far as the means to deliver the projects is dependant on the capacity of the delivery team to organise and manage specific tasks. Speed of delivery brings an added challenge to the exercise because of the obligation to make progress on all the major projects within the growth area within a tight time schedule. A funding proposal to extend the employment of the delivery team until 2011 and to bring in additional staff resources to the existing core team has been given a high priority within the bid document, with an estimated revenue expenditure of £130,000 each year for 2008/09 & 2009/10 and £330,000 for 2010/11.
  - 1.7 The funding is required for staff to be employed to deal specifically with the implementation stage of Cranbrook and other major projects in the Growth Area, including project management, testing and implementing design codes, provision of advice, guidance and enforcement of sustainability strategy and provision of a dedicated Planning Policy Officer to coordinate and assist in policy work, in particular the preparation of the Joint Area Action Plan (JAAP). A significant advantage of having an in house team of staff is that certain tasks can be performed more cost effectively, for example the use of salaried staff to carry out specific studies rather than employing consultants. This has added advantages in the retention of the skills and knowledge base of the team and continuity over the projects. It is anticipated that some of the study work for the JAAP can be carried out in this way and resources shared with the Policy Team. A significant element of the work within the delivery team is related to management and co-ordination of projects involving a number of different stakeholders and funding sources. In order to make the best use of existing skills within the team it is proposed to recruit a Projects Manager/Co-ordinator into the team to provide assistance to the Projects Director and work with the New Community Partners and other Stakeholders to help deliver the social and community projects within Cranbrook and identify additional sources of funding and support.
  - 1.8 In addition to the post outlined above, it is also proposed to fund a part-time Communications Officer to work closely with the Corporate Director and the Projects Director for the New Growth Point to provide marketing and communications support to promote the major projects within the Growth Area. In the same way that delivery teams are to be part-funded by growth budgets it is contended that the communications support, which is a key enabler for the projects, should also be funded by the same budgets. This communications support will develop and implement a communications strategy to raise the profile of the Delivery Team and the major projects within the growth area and help with marketing and promotion of the area in accordance with the growth agenda and other planning policy.
  - 1.9 The 'core' Delivery team (Projects Director, Spatial Planner and Administrative Assistant) are currently based in an office in the East Devon Business Centre, but have recently secured new office accommodation at Silverdown Office Park at Exeter Airport as previously approved by the Executive Board. This new office accommodation will enable all the members of the delivery team to work from the same office, with room for an expanded team, together with meeting facilities. It was also previously agreed that a proportion of the Growth Point grant would be used to fund the additional cost of renting and servicing this accommodation.
  - 1.10 Table 1 shows a breakdown of all the costs associated with the expanded delivery team for 2008/09 and projected forward to 2012/13. The table also includes the cost of setting up the new office accommodation at Silverdown Office Park and the additional costs of running the new accommodation. The cost of existing core delivery team (together with the associated overheads) is currently met by a grant payment from the South West Regional Development Agency until April 2010. The net additional cost of employing a Projects Manager and Communications Officer together with additional overheads for the whole team within the new office accommodation amounts to £131,485 for 2008/09. It is proposed that these additional costs be met from the New Growth Point Fund.
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## Legal Implications

There are no legal observations.

## Financial Implications

The financial implications are included in the report.

## Consultation on Reports to the Executive

Reports to the Executive re the budget/policy framework must detail the nature, extent and outcome of consultation with stakeholders and relevant Overview Committees. Reports about other matters must give details and outcome of consultation as appropriate

## Background Papers

- Report to Executive on Acquisition of Office accommodation at Silverdown Office Park, Exeter Airport on 27 February 2008.

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Fliss Morey, Projects' Director

Executive Board 30 April 2008

Karime Hassan, Corporate Director