
Meeting: Executive
Date: 12 January 2010
Subject: Review of Growth Area Fund Round 3 (GAF3) Programmes
Report of: Cllr Ken Matthews, Portfolio Holder for Economic Growth and Regeneration
Summary: The report proposes revised growth area fund programmes in the two growth areas in the light of the Government's reductions to the capital allocations in 2010/11

Advising Officer: Gary Alderson, Director of Sustainable Communities
Contact Officer: Liz Wade, Assistant Director Economic Growth and Regeneration
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS

Council Priorities:

The proposals meet the Council's Priority 3 Managing Growth Effectively

Financial:

Growth Area Funding Round 3 (GAF3) is external funding, has been awarded to the two Growth Areas in Central Bedfordshire and is allocated to specific projects as set out in the report and Appendix 1.

Legal:

Growth Area Funding is paid by Government to the Accountable Bodies of Luton Borough Council and Bedford Borough Council who are responsible for managing and monitoring the programmes. Individual projects are managed by the agreed delivery bodies, including Central Bedfordshire Council.

Risk Management:

The overall GAF3 programme funding reduction has been managed to reduce the risk on projects that are currently being delivered. Each of the GAF3 funded projects has its own risk assessment and there is a robust project appraisal/approval process with quarterly reviews in place involving liaison with the Accountable Bodies.

Staffing (including Trades Unions):

There are no staffing implications for Central Bedfordshire arising from this report

Equalities/Human Rights:

Individual projects with the overall programmes would be subject to Equalities Impact Assessments as appropriate.

Community Safety:

There are no community safety issues arising from this report

Sustainability:

The GAF3 funded programme is essential to ensure that future growth is managed in a sustainable way.

Summary of Overview and Scrutiny Comments:

- The Report has not been considered by the Overview and Scrutiny Committee

RECOMMENDATION(S):

That the Executive approves the changes to the Growth Area Fund Round 3 (GAF3) Programmes for the Bedford and Marston Vale Growth Area and the Luton and South Central Bedfordshire Growth Area as set out in the report and Appendix 1.

Reason for Recommendation(s): To enable ongoing progress with the delivery of growth and infrastructure and other investment in the Growth Areas

Executive Summary

The Growth Area Fund Programmes Round 3 (GAF3) for the two growth areas in Central Bedfordshire have been reviewed to take account of 43% cuts in the capital funding for 2010/11. This has reduced the funding available to some Central Bedfordshire led projects as set out below and in Appendix 1.

Review of Growth Area Fund Programme

1. In December 2007 the Government announced awards of Growth Area Funding Round 3 (GAF3) to all growth areas in the country. This included awards to the Bedford and Marston Vale Growth Area, which includes the northern part of Central Bedfordshire and to the Luton and South Beds Growth Area, which includes the southern part of Central Bedfordshire. The award was for 2008/09, with indicative allocations for 2009/10 to 2010/11.
2. In December 2008 the Government announced its GAF3 funding awards for 2009/10 and 2010/11 based on the submission of refreshed Programmes of Development from the growth areas. The funding for 2010/11 was however provisional and subject to confirmation by Parliament in the quarter prior to the start of the financial year. At this time the total 3 year GAF3 allocation to the Bedford and Marston Vale Growth area stood at £21,225,223 capital and £862,939 revenue, and stood at £21,040,000 capital and £795,000 revenue to the Luton and South Beds Growth Area.
3. In July 2009 the Government indicated that the provisional GAF3 capital awards for 2010/11 in all growth areas would be cut by 43%, with the funds being redirected to the Government's Housing Pledge. For the Bedford and Marston Vale Growth Area this resulted in a £3.4m cut in funding in 2010/11 from £7.8m to £4.4m and in the Luton and South Beds Growth Area the £2.2 cut in funding was from £5.3m to £3.1m. There has been lobbying by the MKSM Partnership expressing concern about the implications of the cuts and the Leader wrote to the Government on 13 November 2009 in response to a consultation about the cuts expressing concern about the implications for delivering growth in Central Bedfordshire (available as a background paper).
4. Following the Government announcement, officers of the Council have been working with our partners in the two Growth Areas to consider the impact of the cuts and to agree a proposed reduction that would be acceptable to all partners.

Bedford and Marston Vale Growth Area

5. In the Bedford and Marston Vale Growth Area discussions have been held with the partners Bedford Borough and Renaissance Bedford. Only one Central Bedfordshire project has capital funding allocated in 2010/11, and that is Flitwick Town Centre Development. The recommended approach to managing the cuts in the Growth Area is to top slice all projects with funding in 2010/11. This results in a reduction of just under £700,000 in the total funding to the Flitwick Town Centre Development from £4.3m to £3.6m. The remaining £2.7m of cuts falls on projects in Bedford Borough.

Luton and South Beds Growth Area

6. In the Luton and South Beds Growth Area discussions have been held with the partners Luton Borough and Luton Gateway. The preferred approach has been to retain investment in key projects considered to be pivotal to supporting and enabling the growth, in particular the delivery of Junction of M1 Junction 11a, progressing key transport infrastructure projects and to maintain investment in the town centres.

7. A key element of the proposed saving is the reduction by £1.2m in the cost of bringing forward Junction 11a. Despite the cut in GAF money the scheme will still be able to be brought forward as a result of additional monies being made available by DfT and the Eastern Region bringing its contribution forward, allowing the scheme to be started in 2011, with Draft Orders due to be published in winter 2009/10.
8. Other reductions proposed are £450,000 from the Green Infrastructure Project, £500,000 from the Rolling Social and Community Infrastructure Fund, and smaller savings from other projects. Further details of proposed savings are set out in **Appendix 1**.

Appendices:

Appendix 1 – Review of Growth Area Fund Programmes

Background Papers: (open to public inspection)

Letter to Communities and Local Government responding to the Growth Fund Consultation from the Leader dated 13 November 2009

Location of papers: Priory House, Chicksands