

Meeting: Executive
Date: 12 January 2010
Subject: Local Delivery Vehicle Business Plans (Luton Gateway and Renaissance Bedford) and Growth Area Fund Round 3 (GAF3) Programmes

Review of the Growth Area Fund Programmes

Overview

1. In December 2007 the Government announced awards of Growth Area Funding Round 3 (GAF3) to all growth areas in the country to support the delivery of the growth. 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. Luton Borough Council acts as the accountable body for the Luton and South Bedfordshire Growth Area and Bedford Borough acts as accountable body for the Bedford and Marston Vale Growth Area. The two Local Delivery Vehicles (LDVs) of Luton Gateway and Renaissance Bedford have an overview and co-ordination role in relation to the GAF3 programmes.
2. Programmes of Development had been developed and agreed for each growth area and submitted to Government. These formed the basis of the Government's GAF3 funding award to each growth area.
3. 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 in the Luton and South Beds Growth Area.
4. In July 2009 the Government indicated that the provisional GAF3 capital awards for 2010/11 in all growth areas across the country 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).

5. 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 proposed reductions that would be acceptable to all partners.

Bedford and Marston Vale Growth Area

6. In the Bedford and Marston Vale Growth Area discussions have been held with 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

7. In the Luton and South Beds Growth Area discussions have been held with Luton Borough and Luton Gateway. Here the top slicing approach was rejected as several major projects within the programme had already committed all of their GAF 3 spend, and a reduction of funding in this way would have required additional mainstream funding from both local authorities to maintain the momentum, and this was not considered to be acceptable. The preferred approach was 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 in tandem with the M1 hard shoulder running improvements from Junction 10 to 13, progressing key transport infrastructure projects and to maintain investment in the town centres.
8. A key element of the proposed saving in the Luton and South Beds Growth Area is the reduction by £1.2m in the cost of bringing forward Junction 11a. This will allow the scheme to be started in 2011, with Draft Orders due to be published in winter 2009/10.
9. It is proposed that the Green Infrastructure Project (managed by Luton BC but which includes projects in Central Bedfordshire) would have its capital allocation reduced by £450,000, however £200,000 revenue funding will now be made available to the project. The key impact will be on the ability of the project to acquire additional land parcels.
10. It is proposed to reduce the proposed Rolling Social and Community Infrastructure Fund by £500,000. Options for spending the remaining £500,000 balance are currently being considered by officers, with the focus on bringing forward community facilities for the new housing development south of Leighton Buzzard.
11. Smaller savings have been made from projects which have been completed (High Town in Luton) or which are no longer being progressed (Sundon Park Arch in Luton and Wing Hill Bridge in Central Bedfordshire). Funding for projects such as progressing the designs for the Woodside Connection and Luton Northern Bypass, and regeneration of Luton and Dunstable town centres have been maintained. £100,000 revenue funding has recently been agreed to enable the Planning and Development Briefs in Leighton Buzzard Town Centre to be

progressed.

12. Table 1 below summarises the position with Central Bedfordshire led GAF 3 projects identifying the proposed cuts.

Table 1 Summary of Central Bedfordshire Led GAF3 Projects

Project	GAF Allocation at 1 April 2009	Proposed GAF Allocation With 10/11 Cuts	Accountable Body Project Appraisal/ Business Case Status	Comment
Bedford and Marston Vale Growth Area				
Flitwick Town Centre Development	£4.3m capital	£3.6m capital	Business case for £100,000 approved. Balance awaiting submission of Business Case to Bedford Borough	Balance of £3.5m proposed to be spent on land acquisition.
Biggleswade Town Centre Masterplan	£150,000 revenue £75,000 capital	No change	Business cases for £150,000 revenue and £75,000 capital approved as contribution towards "quick win project"	
Luton and South Beds Growth Area				
Leighton Linslade Cycle Network Improvements	£500,000 capital	No change	Appraisal approved	
Dunstable /Houghton Regis	£100,000 capital	No change	Appraisal approved	
Wing Hill Bridge	£65,000 capital	£43,281 capital	Appraisal approved	£43,281 spent to 31 March 2009.
Dunstable Town Centre Masterplan	£250,000 capital	No change	Appraisal approved	
Woodside Connection	£700,000 capital	No change	Appraisal approved	
Luton Northern By pass	£800,000 capital	No change	Appraisal approved	
M1 Junction 11a Early Delivery	£6.2m capital	£5m capital	Appraisal to be submitted to Luton Borough	Recent agreement to progress M1 Jct 11a as part of M1 Hard Shoulder Running now requires only £5m GAF3.
Rolling Social and Community	£1.045m capital	£500,000 capital	Appraisal to be submitted to Luton	Review underway of potential projects to

Infrastructure Fund			Borough	support new development south of Leighton Buzzard
Leighton Buzzard Town Centre Planning and Development Briefs	£0	£100,000 revenue	Appraisal approved	New project focused on two opportunity sites in Leighton Buzzard town centre