
HOUSING GROWTH POINT

Responsible Cabinet Member- Councillor John Williams, Economy Portfolio

Responsible Director - Richard Alty, Assistant Chief Executive (Regeneration)

Purpose of Report

1. To seek approval of Cabinet to Darlington's participation in a Tees-Valley wide partnership submission to be designated a Housing Growth Point.

Information and Analysis

2. In September 2007, the five Tees Valley local authorities were advised by Tees Valley Living of an opportunity to submit a bid to Communities and Local Government (CLG) to become what is known as a Housing Growth Point.
3. Housing Growth Points represent one of the Government's policy strands to facilitate accelerated building of new homes by as much as 200,000 nationally by 2016. There are currently no Northern Housing Growth Points. Tees Valley have been encouraged by CLG to submit a bid to become the first Northern Growth Point.
4. The criteria for being a Housing Growth Point include:-
 - (a) Must be areas where there is a good case for accelerated, additional economic and housing growth based on demand/pressure
 - (b) Must be able to offer at least 20% housing growth above figures identified in the Regional Spatial Strategy over the period to 2016
 - (c) Must be able to demonstrate longer-term plans for sustainable growth can be achieved without major negative environmental, social and economic impacts
 - (d) High levels of design and affordable housing
 - (e) Plans must meet identified local housing needs and shortages
 - (f) Must be able to demonstrate that it links with other cross-cutting themes and strategies such as economic development, climate change and transport as well as "lever in" private sector investment.
5. Following a meeting of housing representatives of the 5 Tees Valley authorities, it was agreed that a joint-submission should be made to CLG, to be coordinated by Tees Valley Living.
6. Consultants DTZ were appointed to compile the expression of interest, in order to meet the deadline for submission of 31 October 2007.

7. Within the Council, the submission of information was co-ordinated by the Council's External Funding Team, working closely with the Estates, Planning, Transport, Transport Policy, Highways and Housing teams.
8. Based on existing planning applications and knowledge of Darlington housing sites, it was apparent that the target of 20% additional housing above RSS allocations could be achieved.
9. The Council was advised that bids would be assessed against the criteria based on 3a-f above, with CLG checking the bid against the criteria as well as verifying the information with other Government Departments.
10. Following submission of the expression of interest, feedback was received from CLG advising Tees Valley Living that the Tees Valley bid had been assessed and that it had been deemed "Category B". CLG had classified the submissions on a scale of A to D. Category A bids were bids which met all the criteria and which would be recommended as Growth Points. Nationally there were no Category A bids. Category B bids were those for which some additional information was required in order for the bid to be moved in to Category A. The additional information required comprised:
 - (a) Confirmation of the number of (housing) units envisaged
 - (b) The type and mix of housing proposed
 - (c) Development constraints and a broad estimate of the cost of constraint removal.
 - (d) Likely phasing based on pre-2011 and post-2011
 - (e) Strategic Importance
 - (f) Design Excellence
 - (g) Energy Excellence.
 - (h) Evidence of Investor interest
11. It should be noted that the information provided was purely an indicator of possible actions /areas of potential development and in no way prejudices the Council's position in relation to its statutory planning role and any new possible sites would be subject to statutory planning procedures and consultation.
12. The expression of interest has not been for a specific sum of money or for a definitive set of projects or activities; the bid has been submitted to place the Tees Valley Local Authorities in a position to access potentially significant and flexible central government funding, targeting sustainable housing development and growth. This funding has only previously been made available to areas in the Midlands and South. If the Tees Valley is offered Housing Growth Point status, further reports would be brought to Cabinet on the specific projects for which funding is sought.

Implications of becoming a Housing Growth Point

13. Housing Growth Point is a status that enables Local Authorities to access potentially significant funding. There are two funding streams that become available to Housing Growth Points - Housing Growth Fund and Community Infrastructure Fund. There has been no definitive guidance issued as part of the bidding process on what the funding can be spent on. The level and potential range of uses of funding associated with Housing Growth Point status are not known. This is the second round of bids for Growth Points. The information on existing Growth Points indicates that funds have been used as part of a wider, integrated package of regeneration activity.

14. For Darlington, initial funding could potentially be sought for;
 - (a) Site specific (sustainable) development appraisals and or investigations
 - (b) Funding for sustainable transport activities / infrastructure solutions
 - (c) Any Risk Assessment and / or drains capacity assessment required
 - (d) Schools impact assessment
 - (e) Funding towards green infrastructure / related studies
 - (f) Funding towards housing design excellence work
15. The first phase of Growth Points were allocated £40m nationally for 2007-08 for a first round of infrastructure projects and to support growth-related studies, masterplanning and capacity-building in the New Growth Points. This money was targeted at overcoming local infrastructure problems, unlock sites for new housing and enhance the local environment.
16. The outcome of any initial feasibility work would determine the likelihood of securing future funding towards removing or remediating barriers to development and infrastructure constraints. There should be scope to contribute to the costs of feasibility work of developing the town-centre fringe.
17. Examples of how the funding has been used so far in existing Growth Points include:
 - (a) Norwich, where £2m was allocated in 2007-08 from the first year's funding pot to fund a Strategic Flood Risk Assessment, Surface Water Management Plan and Water Cycle Study
 - (b) Worcester Growth Point, where initial funding of £200k in 2007-08 was allocated to fund Strategic Flood Risk Assessment and a Water Cycle Study to inform decisions on the level and location of growth; working with Severn Trent Water to deliver water efficiency savings; producing a comprehensive Green Infrastructure Study to mitigate the impacts of growth on local habitats and enhance them where possible; and working with the Department for Transport to assess the impacts of growth proposals on the transport network and to develop sustainable transport solutions and;
 - (c) East Staffordshire, where initial funding of £310,000 was allocated in 2007-08 for work that will include using the findings of a Strategic Flood Risk Assessment to inform decisions on locations of growth; addressing issues of water supply and sewerage treatment capacity; ensuring growth is fully consistent with the National Forest Strategy; and working with the Department for Transport to assess the impacts of growth proposals on the transport network and to develop sustainable transport solutions.

Next Steps

18. Although the bid has been submitted on behalf of Tees Valley, the ability to participate in the Tees Valley Housing Growth depends on the endorsement of Council Members, without which a Local Authority will not be able to be a partner in this bid.

19. The areas being requested to take bids to the next stage are likely to be announced before the end of February 2008. At this point a letter of support has been sent to the Secretary of State for Communities and Local Government by the Leader of Council, but participation will be conditional on all 5 Tees Valley Local Authorities expressing support.
20. Should the bid be successful, a Tees-Valley wide Action Plan will need to be devised. It is anticipated that over a six-month period, each of the partner authorities would be expected to develop a set of priorities and projects to be included in a single Growth Point Delivery Plan.
21. The responsibility for managing the bid will fall to Tees Valley Living under Tees Valley Unlimited and could also form part of the emerging Tees Valley Multi-Area Agreement.

Risk Analysis

22. If insufficient sites identified in the bid are brought forward for housing development:
 - (a) The Council will apply due process in considering sites for housing. The Council's first and foremost obligation will be to fulfil its statutory obligations as a Planning Authority and there will be a clear separation of the planning approval process and growth point site work to remove potential conflicts of interest.
 - (b) Many of the sites either already have a planning application approved, received or imminent. The target of achieving 20% additional housing above the RSS figures is considered achievable based on known and pipeline sites.
 - (c) It is not expected that there would be financial penalties if the housing numbers are not achieved.
23. If the Council does not agree to participating in the Growth Point partnership:
 - (a) It may be possible for the remainder of the partners to continue with the bid; however, if the bid were successful Darlington would be excluded from both the funding allocation decision-making process and the funding

Financial Considerations

24. If the expression of interest is successful, Tees Valley would bid for funding to help achieve the housing numbers. Should the Growth Point bid be successful, further papers will be brought to Cabinet to seek agreement to Darlington's Action Plan and for release of funding.

Outcome of Consultation

25. Consultation with Tees Valley partners has taken place and all are recommending support for the bid. No public consultation has been carried out at this stage because the broad Growth Point ambitions should be achievable within existing plans on which consultation has taken place. Consultation could take place on specific proposals if the bid was successful.

Conclusion

26. Darlington Borough Council has an opportunity to be a partner in a Tees Valley-wide Housing Growth Point. Should the bid be successful, Tees Valley would be the first Northern Housing Growth Point and would provide further evidence of confidence in the potential for economic growth in Tees Valley. As part of a Housing Growth Point partnership, Darlington would have access to potentially significant funding, which could be used to support the delivery of the Council's Housing and the Sustainable Community Strategies, potentially making significant contributions to the Prosperous Darlington and Greener Darlington themes.

Legal Implications

27. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

28. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

29. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

30. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Recommendation

31. It is recommended that Cabinet agrees:-
- (a) To be a partner in the Tees Valley Growth Point expression of interest;
 - (b) A further report be brought to Cabinet to consider the funding available if the expression of interest is successful.

Reasons

32. The recommendations are supported by the following reasons:-
- (a) To enhance the economic, environmental and social well being of the Borough.

- (b) To promote sustainable development, contributing to the outcomes in the draft Sustainable Community Strategy.
- (c) To contribute towards meeting the requirements for additional affordable housing as identified by the local Housing Needs study commissioned in 2005, and, contributing towards an accessible “balanced housing market”.

**Richard Alty,
Assistant Chief Executive (Regeneration)**

Background Papers

Tees Valley Housing Growth Point Submission

John Simpson : Extension 2681
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