



Cabinet Report

Report of Interim Head of Development, Regeneration and Housing

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To: CABINET

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Allocation of £1.02m DCLG S31 Didcot Garden Town Grant

Recommendation

That Cabinet authorises the Head of Development and Regeneration, in consultation with the head of democratic services, if necessary as an exception to contract procedure rules, to use the £1.02m to employ staff and commission and pay for works necessary to deliver the core objectives of the “Didcot Garden Town” project – in accordance with the proposed budget allocation set out in Appendix 1a.

Purpose of Report

1. To provide Cabinet members with a clear indication of how the £1.02m Department of Communities and Local Government (DCLG) Section 31 grant – provided to help South and Vale realise the Garden Town vision - will be utilised over the course of the next two years (three financial years).
2. To seek cabinet approval for the proposed allocation of this funding and for officers to spend these grant funds in accordance with normal delegated authority processes.

Corporate Objectives

3. Accepting the recommendations in this paper will contribute to the following Corporate priorities:

Corporate Priority	Contributes to (Yes/No)
• excellent delivery of key services	Yes
• effective management of resources	Yes
• meeting housing need	Yes
• building the local economy	Yes
• support for communities	Yes

Background

4. Following a competitive bidding process, Didcot's was selected as one of the UK Government's Garden Town, in December 2015. Shortly thereafter, the DCLG agreed to provide South and Vale with two early stage capacity building grants. These grants were provided under section 31 of the Local Government Act 2002 (s31 grants), which empowers government departments to pay English Local Authorities a grant for any purpose, and to determine the manner of its payment. There are no limits as to the size of an s31 grant, nor is there any requirement to attach conditions to this grant.
5. In the case of the two DCLG grants given to South and Vale, there are few conditions attached to them, other than the need to use them for building capacity linked to accelerating housing delivery and/or the achieving the aims outlined in the Didcot Garden Town Bid document and subsequent documents provided to DCLG, to indicate how these grants could best be used.
6. The first of the two DCLG grants, for the sum of £2.06m was the subject of a previous joint Cabinet report titled "Delivering accelerated housing growth in Science Vale", which duly authorised the strategic director, in consultation with the head of democratic services, if necessary as an exception to contract procedure rules, to use the £2.060 to commission and pay for works necessary to deliver the core objectives of the "Building Capacity and Accelerating Housing" project. £1.035m of this funding was allocated to Vale and £1.025 to South.
7. An Individual Cabinet Member Decision subsequently approved the allocation of this £2.06m grant to a variety of expenditure items.
8. This paper addresses the second of the two s31 DCLG grants, totalling £1.02m, which is actually made up of two parts – one of £645,000, which has already been received and one of £375,000 which is due to be received in September/October 2016. This grant is to be used for the purposes of realising the Didcot Garden Town Vision, by paying for the essential staff, marketing and technical consultancy required during the initial stages of the project.
9. Although Didcot Town is mostly located within the SODC area, the Didcot Garden Town project is likely to encompass a larger surrounding area, much of which is within the VoWHDC area.
10. Accordingly, for accountancy purposes it is suggested that this grant should be allocated on a 50/50 basis between the two Councils, in the same manner as the previous £2.06m DCLG s31 grant, as outlined in **Appendix 1a and 1b**.
11. Over recent months, both Councils have jointly commissioned a significant technical consultancy assignment to produce a "Didcot Garden Town Delivery Plan" using funds provided by the first DCLG grant. It is the intention to allocate this second s31 grant to

ensure that both Councils are in a position to fully implement the “Didcot Garden Town Delivery Plan”, once it has been formally adopted by both Councils.

12. Accordingly, as can be seen from Appendix 1a and 1b, the whole of the £1.02m s31 grant is to be used for the purposes of realising the Didcot Garden Town Vision, by meeting the costs associated with recruiting essential staff; undertaking marketing activity; and commissioning essential technical consultancy input needed during the initial stages of the project.
13. The relationship between already approved expenditure, funded from the initial £2.06m DCLG S31 grant and the second £1.02m DCLG s31 grant is shown in **Appendix 2**.

Options

Not applicable

Financial Implications

Not applicable

Legal Implications

Not applicable

Risks

14. Key risks are as follows;

- That after the Didcot Garden Town Delivery Plan is produced, additional expenditure will be required to ensure its’ successful delivery. If additional funds are not made available, a limited return may materialise from the investment made in developing a comprehensive Delivery Plan.
- That marketing and promotion of Science Vale will require additional resources, to fund marketing and promotional activities, over the medium term (i.e. 3-5 years). Failure to secure these resources and/or an ability to continue marketing and promotional activities in the medium term may adversely affect the future success of the Enterprise Zones and our ability to accelerate new housing delivery.

Other implications

15. None

Conclusion

16. Both approved DCLG s31 grants, have been given to South and Vale to ensure the effective production and delivery of a Didcot Garden Town Delivery Plan and the accelerated delivery of new housing in and around Didcot and in Science Vale. The first grant has been used to fund activities broadly relating to the acceleration of housing delivery. The second grant is more closely related to delivery of the Didcot Garden Town vision.

17. A substantial amount of effort has gone in to preparing the ground for the Didcot Garden Town project and for securing necessary government support. This has also involved appointing AMEC Foster Wheeler as the lead contractor (with Quod as the lead consultant) to produce a “Didcot Garden Town Delivery Plan”. This will mean that both South and Vale have access to the essential technical consultancy support needed to make sure the delivery plan is technically and financially robust, and is produced in partnership with all sections of the local community.
18. Therefore, it is now time to use the second DCLG s31 grant of £1.02m to prepare for moving into a delivery phase where;
 - a. Plans can be agreed and put in place for accelerating new housing development in and around Didcot, and in the wider Science Vale area, and
 - b. Specific projects that help realise the Didcot Garden Town vision can be agreed, in partnership with the local community, and subsequently delivered.

Appendix 1a

Proposed allocation of additional £1.02m Section 31 grant funding received from DCLG to help deliver the Garden Town Vision

1. STAFFING – recruitment of the following staff;

- a. An EZ Business Development Manager (at G6 equivalent grade), on a maximum eighteen month basis, (costs, like those of the EZ Manager, to be recovered from EZ NDR income under the terms of our MOU with the LEP) to:
 - i. Support the EZ Manger by contacting prospective mobile investors and companies capable of establishing a presence in the Enterprise Zone and convincing them to invest/locate within the EZ.
 - ii. Maintain a pipeline of leads that may lead to potential future investments in the EZ.
 - iii. Report on lead generation activity and projects won and lost, as a means of improving future lead generation and lead conversion (to real projects in the EZ) performance.

Budget required = £44,000 per annum x 1.5 = £66,000

Proposed budget share (£)	
South	Vale
33,000	33,000

2. MARKETING of Didcot Garden Town;

Promotion of Garden Town website and ancillary promotional events

Budget required = £134,000

Proposed budget share (£)	
South	Vale
67,000	67,000

3. TECHNICAL CONSULTANCY SUPPORT to help realise the Garden Town vision by;

- a. Obtaining legal advice and advice of CPO's as part of a process for encouraging land-owners to bring sites forward for development, either by developing the sites themselves or selling their sites to the Council and/or other developers. **Budget required = £90,000**
- b. Helping to negotiate, model, design, plan and procure transport projects crucial for future housing development in Science Vale and Didcot Garden Town. **Budget required = £180,000**
- c. Producing feasibility studies for new infrastructure projects e.g. widening the bridge over the railway, without which North East Didcot housing cannot commence. **Budget required = £150,000**

- d. Producing financial appraisals required for projects including the Didcot Gateway site, road modelling, healthcare campus appraisal and town centre mixed use appraisal. **Budget required = £200,000**
- e. Undertaking marketing research to underpin efforts to attract and optimise future developments in Didcot. **Budget required = £50,000**
- f. Obtaining advice and guidance on matters relating to the development new leisure facilities linked to the growth of Didcot Garden Town. **Budget required = £30,000**
- g. Providing advice, guidance and input relating to the future development of countryside assets linked to the growth of Didcot Garden Town. **Budget required = £50,000**
- h. Producing a detailed housing strategy that identifies a key delivery role for the Garden Town. **Budget required = £50,000.**
- i. Obtaining advice and guidance on urban design matters relating to the growth of Didcot Garden Town. **Budget required = £20,000**

Budget required = £90,000 + £180,000 + £150,000 + £200,000 + £50,000 + £30,000 + £50,000 + £50,000 + £20,000= £820,000

Proposed budget share (£)	
South	Vale
410,000	410,000

Total proposed Expenditure (South + Vale) required to increase capacity and accelerate housing in and around Didcot:

A. Staffing	£ 66,000
B. Marketing	£ 134,000
C. Technical Consultancy	£ 820,000
Total Required	£1,020,000

Proposed total budget split between both South and Vale:

	<u>South</u>	<u>Vale</u>
A. Staff	£ 33,000	£ 33,000
B. Marketing	£ 67,000	£ 67,000
C. Technical Consultancy	£ 410,000	£ 410,000
Total Required	£ 510,000	£ 510,000

Proposed Allocation of £1.02m DCLG Didcot Garden Town and Accelerating Housing S31 Grant

Main Budget Description	Sub-Budget Description	Proposed Total Budget Allocation (£)	Forecast expenditure for both VoWHDC and SODC, based on a 50/50 share of expenditure				
			Proposed 50% Budget Allocation (£)	Forecast Expenditure 2016/17 (£)	Forecast Expenditure 2017/18 (£)	Forecast Expenditure 2018/19 (£)	Total Expenditure 2016-2019 (£)
STAFFING							
	<p>Employment of an EZ Business Development Officer (at G6 equivalent grade), on a maximum eighteen month basis, (costs, like those of the EZ Manager, to be recovered from EZ NDR income under the terms of our MOU with the LEP) to:</p> <p>a. Support the EZ Manager by contacting prospective mobile investors and companies capable of establishing a presence in the Enterprise Zone and convincing them to invest/locate within the EZ.</p> <p>b. Maintain a pipeline of leads that may lead to potential future investments in the EZ.</p> <p>c. Report on lead generation activity and projects won and lost, as a means of improving future lead generation and lead conversion (to real projects in the EZ) performance.</p>	66,000	33,000	6,875	16,500	9,625	33,000
Total Staffing Budget		66,000	33,000	6,875	16,500	9,625	33,000

Main Budget Description	Sub-Budget Description	Proposed Total Budget Allocation (£)	Forecast expenditure for both VoWHDC and SODC, based on a 50/50 share of expenditure				
			Proposed 50% Budget Allocation (£)	Forecast Expenditure 2016/17 (£)	Forecast Expenditure 2017/18 (£)	Forecast Expenditure 2018/19 (£)	Total Expenditure 2016-2019 (£)
MARKETING							
	<p>Undertaking a variety of Science Vale and Didcot Garden Town marketing activity (including website design and promotion), designed to accelerate housing by creating additional demand for new housing as a result of;</p> <p>a. Encouraging new businesses to create new job opportunities by investing and locating new business projects in South and Vale.</p> <p>b. Encouraging people, currently commuting to jobs within South and Vale from outside of the two Districts, to consider moving house to live in the area.</p> <p>c. Encouraging people that currently live in the area and commute to work outside the area to consider working within the area, thereby adding to the area's pool of skilled labour.</p> <p>d. Generally promoting Didcot Garden Town as a desirable place to live, work and bring up a family.</p>	134,000	67,000	13,958	33,500	19,542	67,000
Total Marketing Budget		134,000	67,000	13,958	33,500	19,542	67,000

Main Budget Description	Sub-Budget Description	Proposed Total Budget Allocation (£)	Forecast expenditure for both VoWHDC and SODC, based on a 50/50 share of expenditure				
			Proposed 50% Budget Allocation (£)	Forecast Expenditure 2016/17 (£)	Forecast Expenditure 2017/18 (£)	Forecast Expenditure 2018/19 (£)	Total Expenditure 2016-2019 (£)
TECHNICAL CONSULTANCY							
	Paying for technical consultancy support to:						
	a. Obtain legal advice and advice of CPO's as part of a process for encouraging land-owners to bring sites forward for development, either by developing the sites themselves or selling their sites to the Council and/or other developers.	90,000	45,000	35,000	10,000		45,000
	b. Help to negotiate, model, design, plan and procure transport projects crucial for future housing development in Science Vale and Didcot Garden Town.	180,000	90,000	60,000	30,000		90,000
	c. Produce feasibility studies for new infrastructure projects e.g. widening the bridge over the railway, without which North East Didcot housing cannot commence.	150,000	75,000	75,000			75,000
	d. Produce financial appraisals required for projects including the Didcot Gateway site, road modelling, healthcare campus appraisal and town centre mixed use appraisal.	200,000	100,000	100,000			100,000
	e. Undertake marketing research to underpin efforts to attract and optimise future developments in Didcot.	50,000	25,000	15,000	10,000		25,000

Main Budget Description	Sub-Budget Description	Proposed Total Budget Allocation (£)	Forecast expenditure for both VoWHDC and SODC, based on a 50/50 share of expenditure				
			Proposed 50% Budget Allocation (£)	Forecast Expenditure 2016/17 (£)	Forecast Expenditure 2017/18 (£)	Forecast Expenditure 2018/19 (£)	Total Expenditure 2016-2019 (£)
TECHNICAL CONSULTANCY (cont.)							
	g. Obtain advice and guidance on matters relating to the development new leisure facilities linked to the growth of Didcot Garden Town.	30,000	15,000	15,000			15,000
	h. Provide advice, guidance and input relating to the future development of countryside assets linked to the growth of Didcot Garden Town.	50,000	25,000	15,000	10,000		25,000
	i. Produce a detailed housing strategy that identifies a key delivery role for the Garden Town.	50,000	25,000	25,000			25,000
	j. Obtain advice and guidance on urban design matters relating to the growth of Didcot Garden Town.	20,000	10,000	10,000			10,000
Total Technical Consultancy Budget		820,000	410,000	350,000	60,000	0	410,000
TOTALS		1,020,000	510,000	370,833	110,000	29,167	510,000

Appendix 2**Allocation of total DCLG s31 Grant Funding received for Building Capacity and Accelerating Housing in Science Vale and Didcot Garden Town**

Expenditure Items	£2.06m s31 Grant (previously approved)	£1.02m s31 Grant (proposed)	Total Allocated Grant Expenditure
Staffing			
<p>1. Recruiting two development managers (at G8 equivalent grade) for a maximum two year period, (to be recruited immediately) responsible for:</p> <p>a. Accelerating development through effective use of the planning process, knowledge and experience in driving delivery.</p> <p>b. Ensuring supplementary planning documents are produced to shape development, master plans are produced for major projects, planning gain negotiations are brought to a close quickly, productive relationships are built with developers, planning input is available to help progress compulsory purchase orders etc. – all with the objective of getting developments on site fast and removing barriers to development</p>	£260,000		£260,000
<p>2. Recruiting two people to work within our planning team (G7 equivalent grade), for a maximum two year period, responsible for:</p> <p>a. One to be employed by the County Council (paid for by South and Vale) to work on supporting Development Management processes and one to be employed by South and Vale in planning, on policy development relating to major road and infrastructure projects critical to the development of future housing, which cannot currently be progressed due to a lack of available resources, for this purpose, in the County Council.</p>	£224,000		£224,000
<p>3. Recruiting a community development worker (at G6 equivalent) grade, on a maximum two year basis, to work within our planning team to:</p> <p>a. Broker agreements between communities and developers in</p>	£100,000		£100,000

respect of planning obligations and community needs and negotiate forward construction agreements with developers etc.			
4. Recruiting a replacement Garden Town Manager (at G10 equivalent), on a maximum eighteen month basis, (to be recruited following receipt of the initial, draft Garden Town Delivery Plan) to: a. Oversee and manage all projects, bringing in appropriate technical consultants, as required, using the HCA framework agreement where necessary (to short-circuit otherwise time consuming tendering processes). b. Ensure tight management of budgets against outputs.	£111,000		£111,000
5. Employment of an EZ Business Development Officer (at G6 equivalent grade), on a maximum eighteen month basis, (costs, like those of the EZ Manager, to be recovered from EZ NDR income under the terms of our MOU with the LEP) to: a. Support the EZ Manager by contacting prospective mobile investors and companies capable of establishing a presence in the Enterprise Zone and convincing them to invest/locate within the EZ b. Maintain a pipeline of leads that may lead to potential future investments in the EZ. c. Report on lead generation activity and projects won and lost, as a means of improving future lead generation and lead conversion (to real projects in the EZ) performance.		£66,000	£66,000
Marketing			
1. Undertaking a variety of Science Vale and Didcot Garden Town marketing activity (including website design and promotion), designed to accelerate housing by creating additional demand for new housing as a result of; a. Encouraging new businesses to create new job opportunities by investing and locating new business projects in South and Vale. b. Encouraging people, currently	£209,000	£134,000	£343,000

<p>commuting to jobs within South and Vale from outside of the two Districts, to consider moving house to live in the area.</p> <p>c. Encouraging people that currently live in the area and commute to work outside the area to consider working within the area, thereby adding to the area's pool of skilled labour.</p> <p>d. Generally promoting Science Vale and Didcot Garden Town as a desirable place to live, work and bring up a family.</p>			
Technical Consultancy			
<p>1. Paying for technical consultancy support to:</p> <p>a. Appoint Amec Foster Wheeler (with Quod as lead consultants) to develop a "Didcot Garden Town Delivery Plan" document, as the basis for realising the Didcot Garden Town vision and attract the further public and private investment needed to help achieve this goal.</p>	£1,000,000		£1,000,000
<p>b. Help undertake commercial property negotiations relating to the purchase of land and property for road and roundabout improvements, community infrastructure and other related land acquisition negotiations.</p>	£66,000		£66,000
<p>c. Help negotiate, model, design, plan and procure transport projects crucial for future housing development in Science Vale and Didcot Garden Town.</p>	£40,000	£180,000	£220,000
<p>d. Obtain legal advice and advice of CPO's as part of a process for encouraging land-owners to bring sites forward for development, either by developing the sites themselves or selling their sites to the Council and/or other developers.</p>	£50,000	£90,000	£140,000
<p>e. Produce feasibility studies for new infrastructure projects e.g. widening the bridge over the railway, without which North East Didcot housing cannot commence.</p>		£150,000	£150,000
<p>f. Produce financial appraisals required for projects including the Didcot Gateway site, road modelling, healthcare campus appraisal and town centre mixed</p>		£200,000	£200,000

use appraisal.			
g. Undertake marketing research to underpin efforts to attract and optimise future developments in Didcot.		£50,000	£50,000
h. Obtain advice and guidance on matters relating to the development new leisure facilities linked to the growth of Didcot Garden Town.		£30,000	£30,000
i. Provide advice, guidance and input relating to the future development of countryside assets linked to the growth of Didcot Garden Town.		£50,000	£50,000
j. Produce a detailed housing strategy that identifies a key delivery role for the Garden Town.		£50,000	£50,000
k. Obtain advice and guidance on urban design matters relating to the growth of Didcot Garden Town.		£20,000	£20,000
Total Allocated Grant Expenditure		£2,060,000	£1,020,000
			£3,080,000