

<b>Cabinet Member's Report</b>		
<i>COUNCILLOR</i>	<i>COMMITTEE</i>	<i>DATE</i>
Ian Maher	Cabinet Member for Regeneration	5 August 2010

## **NIPD INFORMATION**

### **1. Impact of 'In Year' Cuts to Housing Programmes**

The cuts announced in the emergency budget included;

- A £50 million cut to the Housing Market Renewal allocation to the nine Pathfinders of £311 million in 2010-11
- A £100 million cut to the National Affordable Housing Programme (NAHP) which funds the provision of social and affordable housing. However, as a result of savings elsewhere, £170 million has been recycled back into affordable housing (indicating overall a £70m increase in funding available for new starts during 2010-11).
- A £50 million cut to the 'Kickstart' programme, intended to get stalled housing deconstruction underway, from a 'suspended' list of schemes totalling £240 million

The Government has announced it's preference to 'pro rata' the HMR cut, in the same proportion as the grant allocated from the £311 million. This will, if confirmed, impact in the amount of £1.5 million on Sefton.

At Government request, a consultation response has been sent to DCLG, setting out why to pro rata the cut is unfair on those few of the nine Pathfinders who have strategic and long term plans in place, back by Compulsory purchase orders, where cuts will impact upon the likelihood of confirmation of the CPO's by the Secretary of State for Communities and Local Government. A response to the consultation and confirmation of the actual level of cuts to the Merseyside Pathfinder programme, is still awaited.

The Homes and Communities Agency (HCA) have indicated that instead of cutting £50 million from Kickstart, no further schemes at all will be approved, with those former Kickstart bids involving affordable housing, being put forward for a proportion of the additional £70 million available for affordable housing.

A decision on the £2.3 million Kickstart scheme for Queens Road, to provide the affordable housing element of the second phase of re-development, is therefore, awaited. HCA have advised that they wish to make a decision by the end of July. Failure to fund this development will seriously impact upon the viability of the Queens Road CPO phase 2 (see below)

## **2. Phase 2 Compulsory Purchase Orders**

Dates have been set for the second phase Klondyke CPO Public Inquiry (November 8<sup>th</sup> 2010) and Queens Bedford second phase CPO (November 9<sup>th</sup>-11<sup>th</sup> 2010)

## **3. Sub Regional Choice Based Lettings**

Work is progressing on agreeing a common sub regional approach to Choice Based lettings which will produce a more effective and flexible service than a borough wide CBL scheme, will enable the identification of 'suspended' individuals who should not be eligible for re-housing who avoid detection by moving from one Local Authority area to another and will ultimately deliver significant efficiency savings. The scheme will require revision of Sefton's allocations policy in order to arrive at commonality across the sub region.

## **4. Registration for Carbon Reduction Commitment**

Following recent Cabinet approval, Officers are formally registering Sefton Council as part of the Mandatory requirement of the CRC and will declare Sefton's projected Carbon outputs by the end date of August 31<sup>st</sup> 2010.

## **PLANNING & ECONOMIC REGENERATION UPDATE**

Recently announced changes by the Coalition Government.

- ❑ Budget 2010 announced the "abolition" of the Regional Development Agencies (by March 2012). There are discussions about creating a holding company for ongoing projects, and to continue a restricted set of high-level tasks.
- ❑ Eric Pickles subsequently proposed in June an "orderly transition" to Local Economic Partnerships, which are voluntary public-private associations with private sector leadership. There will probably be one LEP for each NW sub-region, so a LEP for Liverpool City Region is under discussion, based on the LCR Economy Board. The bid must be submitted by 6<sup>th</sup> September. TMP is leading consultations with partners.
- ❑ There is no mandatory structure or content for LEPs, however, the LEP consultation letter says some former RDA functions are best dealt with nationally i.e. remitted to BIS. These are listed as: inward investment, sector leadership, business support, innovation, access to finance such as venture capital funds. We may choose to contest this and seek to retain certain functions.
- ❑ The same letter defines the following RDA functions as in-scope for devolving to a LEP: planning & housing, local transport, infrastructure priorities, employment, enterprise, transition to low carbon economy, and close working with HE/FE. Tourism is also significant in "some areas". A White Paper on Sub-National Growth will be issued in the autumn.
- ❑ BusinessLink contracts will end along with the RDAs. So BLNW winds up March 2012. The website and call centre will be retained.
- ❑ All central departments are planning for an average budget cut of around 25% over 5 years, with protection for health and international development. Nick Clegg has acknowledged that areas of the country more dependent on public sector employment

will be worse hit. Therefore Regional Growth Funds will be introduced from April 2011 in those regions most affected (yet to be defined).

- ❑ There will be an 18% reduction in NWDA budgets in 2010/11, affecting committed as well as uncommitted projects (but JESSICA appears to be protected). GoNW will take over management of Structural Funds from the NWDA after March 2012.
- ❑ The LSC ended in March 2011 – young people’s training is transferred to local authorities (Children’s Trusts), and responsibility for funding adult training is transferred to the Skills Funding Agency. SFA will continue to co-finance ESF within the NWOP.
- ❑ All DWP programmes for the unemployed are to be terminated and replaced by the new Work Programme, to be delivered by prime contractors with their own or third party local delivery. Expressions of Interest are requested now.
- ❑ Working Neighbourhoods Fund to end March 2011. The Council has agreed in-year cuts in 2010/11 which marginally impact business support.
- ❑ Local Enterprise Growth Initiative will not be continued beyond March 2011. Stepclever has had to return £1.3m in 2010/11, but has already decided to stretch its year 4 resources over the two year period 2010-12, and to apply for additional Structural Funds. Delivery not significantly affected.
- ❑ LABGI (rates incentive) is cancelled.