

WNDC Board Report

Report by Director of Regeneration and Development

Paper Reference: 2011-01-07-02

Agenda Item: 7

1 February 2011

Subject: Regional Growth Fund

Advice: That the Board note the bids that have been submitted in the first round of the Regional Growth Fund by various agencies for projects within West Northamptonshire.

Summary:

- The Deadline for Round One of the £1.4b Regional Growth Fund was 21st January 2011
- Five bids totalling £54m have been submitted for the West Northamptonshire area
- WNDC have decided not to proceed with a Round One bid focussing on the area in and around Northampton's Castle Station

1. The Regional Growth Fund

- 1.1 The Regional Growth Fund (RGF) is a £1.4bn fund that will operate for 3 years between 2011 and 2014. There are two core objectives at its heart; firstly, to stimulate enterprise by providing support for projects and programmes with significant potential for creating long term private sector-led economic growth and employment; secondly, to redress any local imbalance within the local labour market where there is an over dependence upon public sector funded employment.
- 1.2 RGF money can only be applied for where there is no alternative funding available and bids must be able to demonstrate that the Fund will create long term growth by leveraging in private sector investment and jobs.
- 1.3 The demonstrable commitment of private sector partners is an essential requirement of any proposal. A bid cannot be submitted by a public sector body or a partnership of such bodies alone.
- 1.4 The closing date for RGF Round One bids was 21st January 2011 and details of those bids which were submitted for the West Northamptonshire area are shown in Section 3 below.

2. Planned RGF (Round One) Bid for Northampton's Castle Station Area

- 2.1 As noted at the last Board meeting, WNDC had been preparing a Round One bid in support of the regeneration of the area in an around Castle Station, Northampton. That work has included the submission of outline proposals to the South East Midlands Local Economic Partnership (SEMLEP) and Northamptonshire Enterprises Ltd. (in their role of coordinating Northamptonshire bids). A series of meetings with and presentations to our partners (both public and private sectors) working on the Station and Waterside areas have also been held. The proposed station bid had a reasonably good fit with the RGF criteria, however it was recognised that there were a number of weaknesses with the proposed bid.
- 2.2 The outline bid was submitted to SEMLEP as requested. SEMLEP received several outline submissions for RGF, which they reviewed and scored. The Station proposal did not score highly in comparison to other proposals that they had received, which suggested that SEMLEP would probably prioritise their support for other projects. Meetings also took place with DfT and CLG in January to discuss the proposed bid.

Both DfT and CLG suggested that further work would be required before they would be supportive of the bid. This, combined with the SEMLEP assessment, suggested that the chances success for the bid low. In addition to this London Midland, who have actively supported the station regeneration, confirmed that they would prefer not to be the applicant for the bid.

2.3 In light of the circumstances set out above together with the need to allocate resources to develop and finalise the detailed application, it was decided not to progress the bid to submission for round 1 of the RGF. A decision will be taken on a future bid once the Round Two timetable has been confirmed. In the meantime further discussion will be held with Network Rail, DfT, CLG and local partners with a view to working up the funding proposal.

3. West Northamptonshire Regional Growth Fund Round One Bids

3.1 A number of bids for projects within West Northamptonshire have been submitted for the first round. These are:

- **Northampton Bus Interchange** – prepared by Northampton Borough Council on behalf of the partners working on the Grosvenor Centre project in Northampton town centre. The £14m bid would catalyse the replacement of the existing bus station with a new bus interchange, allowing the planned regeneration of the Grosvenor Centre and unlocking circa £350m of private sector funding
- **Daventry Development Link** – prepared by Northamptonshire County Council on behalf of the partners involved in the regeneration and growth of Daventry town and district. The £20m bid would help provide the A45 bypass seen as essential to unlocking the employment, housing and town centre growth potential in Daventry and its immediate environs
- **Towcester Vale Infrastructure Project** – prepared by Persimmon Homes on behalf of the parties working together to deliver the growth of Towcester. The £14m bid (with a further £14m identified as private sector match funding) centres on the improvements to the road infrastructure long seen as essential to the economic and demographic growth of Towcester

- **A45/M1 Northampton Growth Management Strategy** – prepared by the Highways Agency on behalf of the partners working on the regeneration and economic growth of Northampton. The £2m bid focuses on the development of a high level strategy to help maximise the economic and employment opportunities created through the opening up and development of sites along the A45/M1 corridor
- **Silverstone Redevelopment** – prepared by the partners driving the redevelopment of the Silverstone Circuit as a location for new employment and leisure activities. This £4m bid is based on the delivery of new power infrastructure to the site which in turn enables the further employment expansion

3.2 In a number of these bids WNDC has been named as a delivery partner and we have provided letters of support for all where we have been asked.

4. Future Rounds of Regional Growth Funding

4.1 Unlike Round One, where applicants were invited to submit full bids from the outset, Round Two will be a two stage process. There has been no official declaration on the timing of future Rounds though at a recent RGF Roadshow it was indicated Expressions of Interest could be invited as early as the first Quarter of the next financial year.