

PMC  
Agenda Item  
No.  
3f

## Hertfordshire LEP Performance Management Committee

### Title: Growth Area Forums – progress and next steps

Author: Joan Hancox

Date: 9 October 2015

#### 1. Purpose

This paper covers the three Growth Area Forums and the associated regeneration projects and progress to date. There is uncertainty on how the total funding would be used in 15/16 and agreement is sought on allocating the funding which will provide flexibility to deploy the funding and ensure spend by end of the financial year. The three projects are:

Project	Growth Deal Funding 15/16 £m	Spend date to £m	Growth Deal Funding (all years) £m
M1/M25 Growth Area Forum (and Hemel Hempstead Task Force)	0.25	0.008	2.25
A1(M) Growth Area Forum and Stevenage JV	2	0*	16
A10/M11 Growth Area Forum	0.2	0.01	0.6
<b>TOTAL</b>	<b>2.45</b>	<b>0.018</b>	<b>18.85</b>

To make it easier to manage the funding, we have identified separate indicative amounts for the A1(M) Growth Area Forum and the Stevenage JV project in 15/16, with £0.2m provisionally allocated to the Growth Area Forum and £1.8m allocated to Stevenage Regeneration.

## **2. Background**

The three Growth Area Forums were originally conceived in the Strategic Economic Plan as forums to accelerate housing delivery, particularly where there were cross boundary issues, such as at Hemel Hempstead/St Albans around Gorehambury (now called East Hemel), between Stevenage and North Hertfordshire concerning the West of Stevenage proposals and between East Herts and Harlow concerning the north of Harlow (now called Gilston) proposals. During the run up to the submission of the SEP, the concept of the Growth Area Forum was attached to existing bids in the case of the Hemel Hempstead Task Force for the M1/M25 Growth Area Forum and onto the Stevenage Joint Venture (JV) proposals for the A1(M) Growth Area Forum. In the case of the A10/M11 Growth Area Forum a separate bid was drafted.

During the negotiations with central Government we were asked to flesh out in more detail what the role of the Growth Area Forums would be and submitted information on how the LEP proposed to take forward the Growth Area Forums as well as on the progress to date on housing delivery and taking housing delivery forward in the future, which included information on how Growth Deal Funds would be used. A separate paper was also submitted setting out the case for intervention in Stevenage and how that might be delivered.

Since the submission of the SEP and the Growth Deal announcement there has been significant discussions around the role of the Growth Area Forums and these have developed much more into stakeholder engagement forums which will help shape future LEP priorities. Work on progressing significant housing developments has continued, particularly with a group meeting on the Gilston proposals (10,000 new homes) as well as progress on the Maylands Growth Corridor study which supports employment and housing growth within and on the edge of Maylands.

## **3. Progress to date**

Currently, we have held two Growth Area Forums which seem to have been well received and we have had positive feedback about the two events. It is the intention to hold the third event in October and then take stock of the feedback before determining how the funding allocated for the Growth Area Forums will be deployed, although this will not leave a lot of time for allocating the funding if it is to be spent by the end of the financial year.

Expenditure on the Growth Area Forums has been under £20,000 altogether, so it is unlikely that expenditure on the events themselves will be more than £60,000 by the end of March 2015.

### **3.1 M1/M25 Growth Area Forum and Hemel Task Force**

Although £0.25m is allocated this year, there is an overall budget of £2.25m over three years to support this initiative and support housing development around Hemel Hempstead. Current spend to date is £8,000 with no specific projects identified for future spend.

Dacorum have submitted two bids for funding which could utilise some of the potential underspend. These are

- a) Maylands Business Centre expansion (which is a new project) - £200,000 to support the provision on 5 managed workspace units providing grow – on space for businesses from Maylands Business Centre; and
- b) Public Service Forum – which was submitted as a GD2 bid. Further details are being sought on the funding being requested. The Dacorum website describes this as “Hemel Hempstead’s new shared services hub. The new 70,000 sq ft multi-purpose building will house various voluntary groups, the police’s Safer Neighbourhood Team, the registration services, a state-of-the-art library and a café, as well as our own services.” It also facilitates the development of 200 new homes through the release of existing sites.

An initial appraisal has been carried out and the proposals are being further developed.

### **3.2 A1(M) Growth Area Forum and Stevenage JV**

There is £2m allocated overall, with an indicative £0.2m for the Growth Area Forum in 15/16, leaving £1.8m for Stevenage Regeneration. SBC have funded the Stevenage Regeneration Framework which has now been completed and are also funding the professional fees and costs needed to progress the Public Sector Hub (which is an initial stage to securing housing redevelopment of the Southgate Major Opportunity Area).

Whilst it is not clear at this stage exactly what the funding would be used for in 15/16, it is clear that a great deal of work will be needed to develop the Framework proposals further before re-development opportunities can be offered to the market. It is therefore proposed that up to £300,000 be allocated in 15/16 to help move the Framework forward. The discussions on its use at the moment include:

- a) Transport modelling to test the Framework proposals – this would be led by HCC and is estimated to cost in the region of £100-120,000. HCC have already spent £50,000 on gathering traffic data to feed into the model which represents over a 40% contribution to the project. It should be noted that HCC are also spending £550,000

on developing a county wide transport model. It is envisaged that up to £90,000 will be needed in 15/16, with up to £30,000 required in 16/17. A detailed paper on this is attached as Appendix A.

- b) A Utilities Study to assess the requirements for energy, water, wastewater and broadband for the framework. The first step would be to get the study scoped and once this was agreed there would need to be work at an overall level of provision as well as site specific. There are no cost estimates available for this work currently – but it would be prudent to allocate £100,000.
- c) Capacity support – one of the issues with developing the Stevenage Framework is capacity constraint within both SBC and the LEP – some funding could be located to increasing capacity and acquiring the necessary skills to deliver the ambitious programme.
- d) Further work by David Lock Associates – yet to be scoped and assessed.

There have been initial discussions with Stevenage Borough Council about the use of the remaining funding in 15/16. There are both current and future land assembly options which would assist with the development of the public sector hub and thus pave the way for significant housing redevelopment. This was the initial intention of the Growth Deal funding bid. A detailed case would need to be made but it provides an indication that there are plans for the future use of some the funding.

It is intended to hold the A1(M) Growth Area Forum in October – details are yet to be confirmed.

### **3.3 A10/M11 Growth Area Forum**

There has been no call for LEP funding to support development in this area. GPF was offered to support the East Herts Delivery Plan, but the Council decided to fund this due to the funding from the LEP being offered as a loan.

### **3.4 Next steps**

It is planned to take stock of the Growth Area Forums, potential projects and future direction once the A1(M) event has been held and the feedback collated. At that point the expenditure profile will need to be changed to reflect the future direction and likelihood of spend. In the meantime, the Executive Team are investigating potential reserve projects to use potential underspend in 15/16.