

Extract from Closed Session Minutes – 9th December 2009

17. Responding to the Proposed Government Cut in HGF Capital

JO's report had been circulated. He noted that the report contained the priority list of projects which has been worked up through cross authority discussions. The work on this had begun with discussions at Founder Members meetings, and progressed through discussions with project sponsors and through the Growth Partnership Board. The priority list in the paper shows the projects that will be taken forward should the full cut of £6m come through, albeit that some of those remaining projects would then have a lower level of financial support from HGF. It was now imperative to give enough clarity on how to cope with the cut so as to allow these projects to move forward quickly, to ensure delivery by 2011, and to secure matched funding in some cases.

Discussion:

- Noted that the full proposed cut would still cause considerable pain;
- Query regarding final funding figures for Trumpington Meadows. Confirmed at £4.5m;
- Query regarding Uttons Drove loan arrangements. Noted that these funds will be repaid during life of funding, i.e. up to 2011;
- Query regarding use of Flexible Fund for Clay/Glebe Farms on southern fringe, was it not for the all fringe sites? Also queried whether results of planning appeal for Clay/Glebe Farm were yet available. In response it was noted that Flexible Fund was originally ringfenced for the Cambridge Fringe Sites, but the decision taken was to focus its application on the Southern Fringe as these projects were then considered likely to deliver more quickly. It was noted that the appeal decision is expected by March 2010. Horizons can no longer guarantee to Countryside Properties (CPplc) that the full amount originally provisionally offered, prior to appeal, would still be available – the Chief Executive had written to the Joint Planning Director during the appeal to make clear that in principle funding support could still be available. ;
- Query regarding the criteria used to prioritise the projects listed. Noted that the criteria used were as set out and agreed by Founder Members, reiterated and checked by Senior Officers through Growth Partnership Board, thereby ensuring all officers from all local authorities had input and agreed the approach that was now before the Board;
- Noted that any further delay in moving on with projects would have serious ramifications for ability to deliver within timescales/leverage external funding;
- Noted that, even once government decisions were known, all budgets will have to be monitored closely, as there was still a 10% overprofile within the capital programme (as has been the case since the programme was first put together);
- Noted that all projects had been considered against the criteria, and discussions had been had with all partners.
- Query as to what the spreadsheet summarising the projects was setting out, as it was difficult to reconcile the figures.
- The key figures in the spreadsheet were explained, and it was noted that, even taking some of the earlier agreed projects out of the priority programme as had been suggested, the shortfall in available funds to meet the suggested residual programme (should a full £6m cut be made and all projects then spend completely and to time), would be around £3.5m. However, if the Board agreed to stick with a 10% overprofiling for the programme as a whole would mean this would equate to around £2.5m, and the funding shortfall would be reduced to £1m. £1m was suggested as the maximum amount that the Flexible Fund should be reduced by. Taken

together, the proposed de-prioritisation of some schemes, a reduction of £1m from the Flexible Fund, and a retained 10% overprofiling would provide a deliverable capital programme against the available funds;

Agreed:

The recommendations were noted, and the Board gave general agreement regarding the proposed changes to the programme, including the Flexible Fund reduction “capped” at £1m, and retaining 10% overprofiling, noting that slippage somewhere was likely and that there could be other funding options if needs be through mechanisms such as future growth support programmes beyond 2011, the ‘Single Conversation’ with HCA, or other funding sources;

The Board also noted their regret at the need for this re-prioritised list of projects, which was brought about by the proposed government £6m cut in HGF funding for 2011, but, subject to the above clarifications, agreed to the revised HGF programme as set out in the paper being taken forward