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4 December 2007

Brian Smith
Deputy Chief Executive of Environment & Community Services
Cambridgeshire County Council
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Our Ref:
Your Ref:

Dear Brian

PROGRAMMES OF DEVELOPMENT – The Growth Fund 2008/09 – 2010/11

Thank you for submitting the Programme of Development (POD) on behalf of Cambridgeshire to us. We have now assessed all the PODs and are today announcing funding allocations for the Growth Areas and Growth Points, alongside details of our new funding system.

The total amount of funding available for the Growth Fund for the CSR07 period is £732m, of which £405m has been allocated to the Growth Areas. It will not surprise you to hear that this was more than 3 times oversubscribed. From this I am pleased to confirm that Cambridgeshire is being awarded £14,235,324 capital/£727,355 revenue for 2008/09 with an indicative allocation at this stage of £19,929,454 capital/£1,041,273 revenue for 2009/10 - 2010/11, subject to the following paragraph (3). Growth Areas and Growth Points will also benefit alongside Eco-towns and additional Growth Points from the announcement today of £200m for the Community Infrastructure Fund which is run jointly with the Department for Transport. Details of how to bid for this will be announced shortly.

As this is a new funding system we are only confirming 2008/09 awards at this stage. Figures for 2009/10 and 2010/11 are indicative. To test the new funding system we will be holding a consultation exercise in the Spring. Following the consultation, we will invite locations to submit refreshed PODs which will be reassessed to confirm allocations for 2009/10 and 2010/11. We have held back an additional £100.4m for Growth Areas to allocate in 2009/10 and 2010/11 to account for changes to indicative amounts through the refresh of the PODs or through the consultation exercise on the process. This is in addition to the allocations set out in paragraph 2 above. We cannot guarantee that indicative funding allocations will not change but once the new system has been tested this will enable us to move onto longer term funding arrangements that will be beneficial in the future. We hope to be able to confirm allocations for 2009/10 and 2010/11 in Autumn 2008 or before if possible. To launch the consultation exercise on the new funding system we will be holding an event for Growth Areas and Growth Points in the New Year.

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With the new funding system, as outlined in the guidance on producing PODs, we are moving away from funding individual projects to providing block funding based on assessments of PODs. Therefore from April 2008 both capital and revenue funding from the Growth Fund will be unringfenced, meaning that other than reflecting the split between capital and revenue funding there will be no grant conditions about how or when lawful expenditure is incurred. It will be for local authorities to prioritise how the funding is used for their area. Awards of funding will be confirmed via a grant determination due to be issued in the Spring with payment of the full 2008/09 award in April 2008 to the lead authority named in the POD. All appraisal, monitoring, financial management, governance and audit of individual projects will be the responsibility of the lead authority for the payment of grant.

We will monitor performance through the indicators in the Local Government Performance Framework and would welcome seeing housing growth reflected within your relevant LAA. We will continue our regular liaison with you both directly and via the Government Offices, particularly in trying to identify and address barriers to growth.

To support policy development within Communities and Local Government it would be helpful, if you are willing, to receive regular updates on progress relating to key sites, including infrastructure delivery through our discussions.

I would also be grateful to know whether your partnership continue to wish to manage the Programme of Development through Cambridgeshire Horizons, which we would advocate. Can you please let us know as soon as you can so that we can begin the process of agreeing running costs with the LDVs via their business plans, with the intention to announce funding decisions in January? This is in addition to the funding above.

I hope that you will be pleased with what we have managed to achieve so far in creating greater flexibility and delegation in the system for funding growth, in line with Local Government White Paper principles and that through the consultation we can improve it further to provide maximum flexibility in delivering the infrastructure to support the housing.

Yours sincerely

A handwritten signature in black ink, appearing to read 'JHCleary', with a horizontal line underneath the name.

Henry Cleary