

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR REGENERATION

**REPORT OF ASSISTANT DIRECTOR OF DEVELOPMENT AND
COMMUNITY STRATEGY**

Report prepared by John Foster

Date Issued: 5 November 2009

1. **CONSULTATION RESPONSE TO PROPOSED CHANGES TO THE
2010/11 GROWTH POINT ALLOCATION**
- 1.1 Issue for Decision
- 1.1.1 To consider the Council's response to the Government's consultation document proposing to cut £1.1 million from the 2010-11 Growth Point allocation.
- 1.2 Recommendation of the Assistant Director of Development and Community Strategy
- 1.2.1 That the Council objects to the proposed cut and strongly urges the Government to reverse its decision for the reasons set out in Appendix 1.
- 1.3 Reasons for Recommendation
- 1.3.1 The Government confirmed Growth Point funding allocations for 2009-10 and provisional funding for 2010-11 in December 2008. In July 2009 the Government announced its intention to switch funding from the Growth Fund to help stimulate house building during the current economic conditions, as set out in the housing pledge announced in Building Britain's Future. The Minister for Housing and Planning wrote to each Growth Area and Growth Point on 17 July setting out the Government's proposed approach to reducing funding allocations in 2010 -11, and what this would mean for their own allocation, but made clear that this was subject to consultation. The consultation began on 2nd October 2009 and lasts six weeks, closing on 13 November 2009.
- 1.3.2 The government's approach is effectively to reduce the 2010-11 Growth Fund allocation in all Growth Areas and Growth Points by approximately 40%. This would result in a £1.1 million reduction in Maidstone's provisional capital allocation for 2010-11 year.

1.3.3 In summary the Council objects to the proposed cut and strongly urges the Government to reverse its decision because:

- Maidstone continues to deliver housing numbers in spite of the recession.
- The equivalent lost funds will not be invested in the Borough through Housing Pledge initiatives such as Kick Start.
- It severely undermines the political support for Growth Point status.
- It undermines the policy approach of housing development, only where this is supported with adequate infrastructure.
- It reduces business confidence, and
- It reduces significantly the Council's ability to plan for and to provide the necessary infrastructure to create sustainable communities.

1.4 Alternative Action and why not Recommended

1.4.1 An alternative approach could be not to make a representation to this consultation or to rely on the letter sent to the Secretary of State earlier in the year objecting to the proposal when it was first announced. However to do so would undermine the message to Government that the proposed cut will seriously impact on the Council's ability to deliver infrastructure to support growth.

1.5 Impact on Corporate Objectives

1.5.1 The proposed cut will impact upon activity set out the Council's Strategic Plan 2009-12 and key objectives regarding the economy and prosperity, sustainable and integrated transport, and homes and communities.

1.6 Risk Management

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
The Council's representation fails to convince the Government to reverse its decision	B	2	A revised capital and revenue plan of expenditure, based upon a review of priorities will have to be considered and agreed to deliver an affordable programme.

(Likelihood: A = very high; B = high; C = significant; D = low; E = very low; F = almost impossible) (Seriousness or Impact: 1= catastrophic; 2 = critical; 3 = marginal; 4 = negligible)

1.7 Other Implications

1.7.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

X

1.7.2 Financial: Whilst there are no financial costs incurred in the submission of the response to the consultation, a successful outcome i.e. a reversal in the decision to reduce the 2010/11 Growth Point allocation, would impact upon the Council's Medium Term Capital Programme.

1.8 Background Documents

1.8.1 None

1.9 Reason for Urgency

1.9.1 In order to give the Government time to finalise the Local Government Finance Report for 2010-11 this consultation is shorter than the usual 12 week period. There is therefore a need to make a quick decision to meet the government's timetable. The date when the Local Government Finance Report for 2010-11 is finalised is important, since the report confirms a substantial amount of central grant funding for local authorities and very soon after the finalisation of the report local authorities will be required (under the Local Government Finance Act 1992) to set their budget requirements and levels of council tax for the financial year 2010-11.

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes ☐ No ☒

If yes, when did it appear in the Forward Plan?

Is this an Urgent Key Decision? Yes ☐ No ☒

Reason for Urgency

N/A

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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