

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	13 July 2021
Title	Release of Capital Programme Reserves regarding Housing Infrastructure Fund/South Lancaster Growth Catalyst		
Report of	Director for Economic Growth & Regeneration		
Purpose of the Report:			
To request the release of allocated budget within the Capital Programme			
Key Decision (Y/N)	N	Date of Notice	N/A
		Exempt (Y/N)	

Report Summary
Report to request release of the allocated budget of £4.6M from the Capital Programme.

Recommendations
<p>1. In order to meet the requirements of the Collaboration Agreement with Lancashire County Council, Cabinet approves the release of the allocated budget of £4.6M from the development pool section of the general fund capital programme, which represents the local match funding element of the Housing Infrastructure Fund for the south Lancaster Growth Catalyst a partnership with Lancashire County Council and Homes England.</p>

Relationship to Policy Framework

Conclusion of Impact Assessment(s), where applicable	
Climate: provision of new Infrastructure will facilitate sustainable urbanism, walkable communities, improved public transport and lesser reliance on car journeys which aligns with the Council's climate emergency and zero carbon objectives.	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety

Details of Consultation
Budget request made as part of 2021-25 budget process Q4 2020-21

Legal Implications
None arising from this report

Financial Implications
None arising from this report

Other Resource or Risk Implications

Section 151 Officer's Comments
At its meeting 24 th February Council approved a net capital programme of £43.338M for 2021/22, with an overall 5-year programme amounting to £96.096M. Contained within these amounts is a capital contribution for match funding for the South Lancaster District Growth Catalyst (SLDC)/ Housing Infrastructure Fund (HIF) of £4.5M amortised over 15 years to provide an annual contribution of £0.300M. This contribution currently sits within the development pool and as such is subject to Cabinet approval.

We provide capital programme forecast information for a 5-year period and as a result schemes such as SLDC/ HIF which exceed this period would be adjoined to the programme on annual basis until the life of the project has been reached. Current information is that there will not be a call on this funding until 2026 however, should the timing, or amount change, the Council's procedure rules around budget transfers (virements) provide a mechanism to address this, subject to various requirements.

Monitoring Officer's Comments

The money as already been allocated for within the budget framework and is therefore an executive decision to release it.

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Links to Background Papers

1.0 Introduction

Elected Members have been extensively briefed in recent weeks on the Housing Infrastructure Fund (HIF) funding agreement between Homes England, Lancashire County Council and Lancaster City Council. The funding will enable the construction of essential Infrastructure to support wider settlement development in south Lancaster, as outlined in the Councils adopted Local Plan. Part of the agreement includes for both Councils to provide local match funding (£4.6M) each, which is common to most government funding settlements.

This capital contribution will be paid down over the life of the HIF project (15 years) at around £300k per annum.

Payment will not be required until the completion of the first phase of the works, around 2026, subject to both Councils signing a legally binding Collaboration Agreement.

It is necessary as part of the Collaboration Agreement between Lancaster City Council and Lancashire County Council that Lancaster Council is able to demonstrate that it has the necessary governance and funding approvals in place; and that budgets can be committed without the need for further approvals.

This is a matter of governance house keeping and only commits the release of capital reserves once the Collaboration Agreement has been signed and approved by Council.

2.0 Options and Options Analysis (including risk assessment)

- Option 1. Do Nothing/ Defer

Advantages

- None

Disadvantages

- May miss the milestone deadlines contained in the main Grant Determination Agreement (GDA) between Lancashire County Council and Homes England.

Risks

- Failure to meet GDA milestones may put at risk the £140M HIF settlement
- Option 2 Approve

Advantages

- Governance approvals and funding commitments will be in place in accordance with and subject to the approval of the Collaboration Agreement. It will be compliant with the GDA funding milestones.

Disadvantages

- None

Risks

- None

3.0 Officer Preferred Option 2. (and comments)