



Partnership for Urban South Hampshire

Office of the Executive Leader, Fareham Borough Council,
Civic Offices, Civic Way, FAREHAM, Hampshire PO16 7PU

T: 01329 824752 M: 07803 222845 F: 01329 824354

email: swoodward@fareham.gov.uk

Growth Fund Consultation
c/o Alex Turner
Communities and Local Government
Housing and Growth Programmes
Zone 1 / G9
Eland House,
Bressenden Place
LONDON
SW1E 5DU

6 November 2009

Dear Mr Turner

PROPOSED CHANGES TO THE GROWTH FUND FOR 2010-11: CONSULTATION RESPONSE

I write on behalf of the Partnership for Urban South Hampshire (PUSH) to respond to your consultation on how to give effect to your proposed cuts in the Growth Fund capital allocations for 2010-11.

PUSH considers the proposed cut in the Growth Fund capital allocations to be a fundamental breach of faith on the part of the Government. This is particularly so in the case of areas that have agreed Multi-Area Agreements with the Government: agreements that we have been led to believe would bring about different relationships with Government based on trust and decentralisation of decision making and resources. As a result our confidence in the Government's commitment to support local authorities prepared to show bold leadership in the way that we have, has been severely shaken.

Your consultation paper seeks to justify the proposed cuts by arguing that the investment will anyway be targeted at housing growth and so will be directed to similar area as the Growth Fund. However, that cuts right across commitments made over the last 5 years or more, particularly in respect of LAAs and MAAs, to devolve control over use of resources to local level. When faced with difficult times the Government instead reverts to type and re-centralises such decision making, arrogantly assuming that it knows best what investment is most needed in each local area.

Cont/.....

The impact of your proposed cuts in South Hampshire will be substantial. PUSH has already allocated this funding based on a well thought through, detailed programme of development linked to delivery targets and underpinned by the South Hampshire Strategy. In the majority of cases funding has been allocated over two years to sizable, strategic projects that either ensure new or renewed (often affordable) housing is delivered in the short term or which lay the foundations for house building as the recovery takes hold. In particular, the cut will severely curtail PUSH's ability to support badly needed estate renewal programmes in South Hampshire. So the irony is that what you propose to give with one hand through the funding for the housing pledge will be taken away with the other through the impact of the cuts in the Growth Fund leaving simply broken promises on devolution.

PUSH's programme of investment of the Growth Fund also includes a number of projects with integrated housing and economic objectives and therefore the proposed cuts in funding will inevitably have a negative impact on employment level in South Hampshire.

Furthermore, these cuts will mean that projects already underway will need to be stopped "in flight" and their completion postponed until a later date. That inevitably will be more expensive than simply allowing the projects to proceed as planned – giving the tax payer poorer value for money. It also puts at risk over £300m of funding for those projects from other (often non-governmental) sources which, in some cases, will mean that they have to be shelved indefinitely. As a result investment will be lost to South Hampshire at a time when it is most needed.

PUSH therefore wishes strongly to encourage you to reconsider your perverse decision to cut the Growth Fund allocations for 2010-11.

If, nonetheless, you really must proceed with these cuts. PUSH would definitely not support any approach to apportioning the cut through a bureaucratic process such as requiring submission of a new Programme of Development (even a streamlined one). Therefore we do not support options 1 and 3.

However, while PUSH does favour a formulaic approach to allocating the Growth Fund (and hence apportioning the cuts), we do not consider that the Government's proposed approach of pro-rata cuts is fair (and it is only transparent to the extent that the original allocations were made in a transparent way).

PUSH considers that the formula for apportioning any cuts should take account of other agreements between Growth Points and Government which impact on growth proposals and funding. In particular, to remain true to the principles underpinning MAAs, we consider that account should be taken of the existence of Multi-Area Agreements and that Growth Fund allocations to Growth Points with MAAs should be protected as far as possible. This would be a fairer way of apportioning the cuts. MAAs, and the targets within them, were carefully developed, in Growth Point areas, with the 2 year Growth Fund allocations (and their proposed uses) taken into account. Therefore it must be right to protect Growth Points with MAAs from such cuts wherever possible.

I very much hope that you will take due account of all the representations made in this letter in reaching your final decisions on these matters.

Yours sincerely

A handwritten signature in black ink that reads "Seán Woodward". The signature is written in a cursive, flowing style.

Councillor Seán Woodward
Chairman of the Partnership for Urban South Hampshire

cc: Rt Hon John Denham MP (Secretary of State for Communities and Local Government)
Jonathan Shaw MP (Minister for SE England)
PUSH MPs,
Council Leaders,
Chief Executives
Delivery Panel Chairs
David Edwards (HCA)