

REPORT TO EXECUTIVE



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| DATE | 2 nd April 2013 |
| PORTFOLIO | Regeneration |
| REPORT AUTHOR | James Warnock |
| TEL NO | (01282) 477207 |
| EMAIL | jwarnock@burnley.gov.uk |

RELEASE OF CAPITAL PROGRAMME FUNDS 2013/14: REGIONAL GROWTH FUND/EUROPEAN REGIONAL DEVELOPMENT FUND

PURPOSE

1. The purpose of this Report is to request the release of funds in the Council's Capital Programme for 2013/14 to allow the commencement of work on the reinstatement of the direct rail link from Accrington and Burnley to Manchester, and on the provision of highway, infrastructure and public realm improvements in the Weavers' Triangle; all of this work is externally funded.

RECOMMENDATION

2. That the Executive approves the release from the Capital Programme of the sum of no more than £9,872,646 in 2013/14 (the precise amount subject to the final agreed sum of ERDF grant approved), to be allocated to projects as follows:
 - Infrastructure and Highways Improvements in the Weavers' Triangle: £2,047,155 (Regional Growth Fund), and no more than £1,300,000 (ERDF);
 - Todmorden Curve: £6,525,491.

REASONS FOR RECOMMENDATION

3. The release of these capital sums is necessary in order to meet the contractual requirement (contained in the Government's Regional Growth Fund offer letter) that all of the approved work should be completed, and all grant expended, before the end of December 2013.

SUMMARY OF KEY POINTS

4. The Regional Growth Fund second round scheme is made up of a sum of £6,705,491 for the works to create a direct rail link from Accrington and Burnley to Manchester (accepted by the Government as a catalyst for significant economic growth in Burnley and surrounding areas) and £2,100,000 as a contribution to highways, infrastructure and public realm improvements which will encourage private sector investment in

future phases of the Weavers' Triangle regeneration programme. Following a call for proposals under Priority 3, Strand 2 (investment in key strategic sites) of the North West ERDF Programme, a bid was submitted for additional funding of £1.3 million for the Weavers' Triangle works. The RGF offer letter contains a contractual requirement that all of these works must be completed, and the expenditure incurred, by the end of 2013. The direct rail service to Manchester Victoria is scheduled to begin in May 2014. The ERDF bid has not yet (as of 19th March) received approval, but a decision is expected prior to this Executive meeting, and Officers will give a verbal update as appropriate.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

5. Both of these projects are externally funded, and provision has been made for them in the Capital Programme, in the amounts shown in paragraph 2 above. The Executive's approval to the application for RGF funding was given in November 2011 (Minute No. 94), and to the application for ERDF in January 2013 (Minute No.108).

POLICY IMPLICATIONS

6. Both the Todmorden Curve reinstatement and the Weavers' Triangle regeneration programme are key economic priorities for the Council. The release of these capital sums will enable the former to be delivered in full and on time, and will be a significant catalyst for securing the private and other investment necessary for the latter.

DETAILS OF CONSULTATION

7. Phil Moore, Head of Finance and Property Management.

BACKGROUND PAPERS

8. Background papers are held in the Regeneration and Planning Policy Service Unit.

FURTHER INFORMATION

PLEASE CONTACT: James Warnock

Ext. 7207

ALSO:

Kate Ingram

Ext. 7271