



10 November 2009

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

Dear Alex

**NewcastleGateshead New Growth Point – response to consultation on proposed changes to the Growth Fund 2010-11**

Bridging NewcastleGateshead formulates and co-ordinates the strategy and programme for housing market renewal and housing growth in Gateshead and Newcastle; we are therefore responding to the above consultation on behalf of the partnership and the two local authorities.

The response incorporates the views of all parties and the BNG Board will be asked to endorse it at its meeting on 20 November 2009.

Our responses to the four questions set out in the consultation paper are provided below.

- 1. Do you agree that, in order that no growth location is unduly affected and in order to confirm funding allocations at the time of the provisional local government settlement for 2010-11, the proposed funding adjustments should not be on the basis of updated programmes of development?*

We agree. New Growth Points’ Programmes of Development set out spatial development plans that may be delayed in the current market, but should not have changed fundamentally in terms of priorities etc in the meantime. It would therefore be inappropriate to request an update at this time; it is better to let us get on with delivering projects that will accelerate new build as the market starts to return. Eg. we are underway with site investigations and de-risking on a number of key sites that will enable development to take place at the earliest opportunity, rather than waiting till developer agreements etc are in place.

It is more important to clarify the funding available and seek to provide greater certainty on future funding as soon as possible.

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Nevertheless, the reduced allocation has meant that we have to reassess the programme, which will impact on our ability to prepare the sites for market recovery. Moreover, Growth Fund provides additionality to Housing Market Renewal, which is relatively restrictive in the type of work that can be supported. Growth Fund has provided us with the ability to invest in site de-risking and green and other infrastructure to accelerate housing and to support whole-place improvement and growth through developing confidence in areas.

With the clear requirement to focus on projects that directly link to housing numbers, the cut will result in the slightly more indirect works to build confidence - eg. removing traffic calming measures and improving green links/spaces - to encourage builders and residents to invest in the area not taking place. It also impacts on the renewal programme having to pick up site de-risking works, which reduces the scale of remodelling and refurbishment that can be achieved in the shorter term.

2. *Do you agree that a formulaic approach should be taken to making the adjustments to the Growth Fund allocations?*

AND

3. *Do you agree that the Government’s proposed approach for reducing funding allocations is fair and transparent?*

We agree with the approach proposed; pro-rata reductions. This is both timely and fair, given the transparency of the assessment for the initial allocations.

4. *Would you support a more streamlined programme of development approach, with a shortened timetable, as an alternative approach for adjusting Growth Fund allocations?*

It is unnecessary to require amendments and updates to the Programme of Developments; they were only submitted in October 2008. As per our response to question 1, the ambitions laid out in these strategic documents should not have changed fundamentally; more the timing and potentially the means of delivery. We would therefore not support this approach so early in the New Growth Points’ ‘life’.

Please do not hesitate to contact myself or Karen Anderson if you have any queries about our response – telephone 0191 2772663 or by e-mail at [karen.anderson@bridgingng.org.uk](mailto:karen.anderson@bridgingng.org.uk).

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Yours sincerely

**Anne Mulroy**  
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