



CABINET – 17 JUNE 2016

DRAFT INFRASTRUCTURE PLAN

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek approval of the Draft County Council Infrastructure Plan prior to consultation with key stakeholders.

Recommendation

2. It is recommended that
 - a) The Draft Infrastructure Plan be approved, for consultation;
 - b) That a further report be submitted to the Cabinet in the Autumn of 2016 on the outcome of the consultation and to present a final version of the Infrastructure Plan for approval.

Reasons for Recommendation

3. To enable consultation on the Draft Plan, which sets out how the Council will establish a more strategic approach to planning infrastructure across service departments by prioritising capital investment to achieve Leicestershire's spatial and economic aspirations in the short (to 2021) and medium (to 2028/31) terms.

Timetable for Decisions (including Scrutiny)

4. The Scrutiny Commission will consider the Draft Infrastructure Plan at its meeting on 13 July 2016 as part of the consultation and its comments will be taken into account in preparing the final Plan.
5. It is intended that key stakeholders will be consulted on the Draft Plan between 20 June and 29 July 2016 to ensure it aligns with existing strategies, priorities and planned development. Those organisations to be consulted will include the Leicester and Leicestershire Enterprise Partnership (LLEP), Leicester City Council, the seven Leicestershire district councils, and Highways England.

6. The final Infrastructure Plan will be submitted to the Cabinet in the autumn of 2016.

Policy Framework and Previous Decisions

7. In May 2014, the Council agreed a Strategic Plan, setting out priorities and supporting actions and targets for 2014-18, including those in relation to 'enabling economic growth'.
8. In March 2015 the Cabinet agreed the Enabling Growth Plan which identified the Council's intentions and investments that would support the delivery of economic growth, aligned with the objectives of the Leicester and Leicestershire Enterprise Partnership's Strategic Economic Plan, focusing on:
- a) Investment in Place:
 - (i) Building the Infrastructure for Growth
 - (ii) Strategic Transport Infrastructure
 - (iii) Sustainable Transport, Modal Shift, and Road Maintenance
 - b) Investment in People - Employment and Skills Support
 - c) Investment in Business - Business Growth and Business Support.

Resource Implications

9. Whilst many of the infrastructure investments set out in the Draft Plan are allocations previously agreed by the Cabinet through the existing Medium Term Financial Strategy (MTFS), others are indicative, proposed investments which will be subject to further business case development. The Infrastructure Plan will assist the Council in prioritising its own capital investments as well as supporting the prioritisation of bids for external funding. A summary of the financial aspects of the final Plan will be set out in the autumn Cabinet report.
10. The Director of Corporate Resources has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

11. None. This report has been circulated to all Members through the Members News in Brief Service.

Officers to Contact

Tom Purnell, Assistant Chief Executive
Tel: 0116 305 7019 tom.purnell@leics.gov.uk

Peter McLaren, Economic Growth Manager, Chief Executive's Department
Tel: 0116 305 3910 peter.mclaren@leics.gov.uk

PART B

Background

Planning for Economic Growth

12. A number of high level governance and policy interventions are in motion to ensure that Leicester and Leicestershire is better placed to deliver and accommodate future economic growth requirements -
- a) The County, City and district councils, working with the LLEP, have submitted to Government a proposal to create a Combined Authority (CA) and are currently working on a Devolution Deal which will enable closer joint working and decision-making in support of economic growth, transport and planning.
 - b) A Strategic Growth Plan (SGP), in effect a long-term land-use strategy, is in preparation and will provide a framework for delivering economic and housing growth for Leicester and Leicestershire up to 2050. An 18 month to two-year timeframe is anticipated for the development of the Plan, which it is intended will be signed off by the Combined Authority. A Strategic Growth Statement, a first stage in the preparation of the SGP, is being considered by Cabinet at the same meeting as this paper.
 - c) The Leicester and Leicestershire Enterprise Partnership's Strategic Economic Plan 2014-20 (SEP) is shortly to be refreshed ensuring that it is responsive to current global, national and local economic factors. The SEP provides the framework for shorter term economic investment and prioritisation.
 - d) In response to the Strategic Economic Plan and in support of its own Strategic Plan 2014-18, the Council has produced a three year Enabling Growth Plan which sets out how it will contribute towards the overarching economic vision and priorities for Leicester and Leicestershire. The Plan sets out what the Council will do, and what it will invest in, to improve the economic prosperity of the county and the economic wellbeing of communities, residents and workers.
 - e) In addition there are ongoing discussions across the West and East Midlands on the role of the **Midlands Engine** in driving forward economic planning, innovation and inward investment and **Midlands Connect** to improve movement and travel times across the wider region.
13. Population projections estimate that the number of people living in Leicestershire is predicted to grow to over three-quarters of a million by 2037, an increase of almost 15%. The biggest proportionate rises will be in the very elderly and young people of school age and the implications for services will require the Council to plan carefully to accommodate growth needs and meet associated infrastructure requirements.

Planning for Infrastructure

14. The Draft Infrastructure Plan builds on the priorities identified in the Council's Enabling Growth Plan and focuses on investment to deliver the required infrastructure to enable economic development and/or unlock economic growth potential. The aim of the Plan will be to support delivery of three key outcomes:

a) A connected Leicestershire:

- (i) Implementing strategic transport improvements and reducing congestion to support growth and the economy.
- (ii) Encouraging active travel and sustainable transport.
- (iii) Increasing superfast broadband connectivity and take-up.

b) A prosperous economy:

- (i) Making the most effective use of the council's land and property assets.
- (ii) Working with others to unlock and bring forward employment land and development sites.
- (iii) Supporting development of market towns as employment centres.
- (iv) Building on the county's locational and strategic advantages by supporting development of key sectors and sites.

c) Sustainable and independent communities:

- (i) Planning for long term growth including housing requirements.
- (ii) Addressing the need for social demographic change, for example; early years, school places and social care accommodation.
- (iii) Supporting development of towns and large villages as service centres for rural communities.

In the final Infrastructure Plan these outcomes will be aligned to those emerging through the refresh of the Council's Strategic Plan and the development of a Devolution Deal.

Prioritising Investment

15. There are a number of finance sources and funding streams that support investment in economic growth and the outcomes associated with infrastructure development, including:

- a) external funding (e.g. Local Growth Fund, Local Majors Fund, Growing Places Fund, Countywide Business Rates Pool, Enterprise Zone Business Rates uplift, European Structural and Investment Funds, Midlands Investment Fund)
- b) internal capital funding (e.g. Medium Term Financial Strategy 2016/17 to 2019/20, Local Transport Plan Capital Grant, Asset Investment Fund, Capital Funding for Schools, Capital Receipts)
- c) 'other' funding streams (e.g. developer contributions, S106 agreements and Community Infrastructure Levy, Free School monies)

16. The draft Plan provides a framework against which the Council's pipeline of projects and programmes can be developed and prioritised, based on the following criteria:

a) Strategic 'fit':

- (i) Supports delivery of the Strategic Growth Plan (in preparation for summer 2017), Strategic Economic Plan (to be refreshed in 2016) and the Enabling Growth Plan.
- (ii) Aligns with the LLEP's pipeline development funding, including projects for capital funding targeted at priority sectors and growth areas/ programmes.
- (iii) Ensures that the allocation of capital finance is based on clear evidence and expenditure meets agreed priorities.
- (iv) Shows how the Council's assets influence and contribute to delivery of economic growth priorities in support of wider 'place shaping', including to support development of new and/or improvement to existing infrastructure to help communities function better.
- (v) Supports vulnerable people to secure training, employment and/or access to services.
- (vi) Contributes towards achieving a healthy population with increased healthy life expectancy and reduced health inequalities.
- (vii) Supports development of knowledge and better understanding of budget setting, programme management and project delivery.

b) Deliverability:

- (i) Identifies and refines delivery models that can both maximise the impact of council contributions and enable other public and private sector investment.
- (ii) Identifies potential grant funding available to support delivery and confirms the availability of resources needed to secure any matched funding available.
- (iii) Provides a framework and processes to help achieve consistency and reduce unstructured, unplanned or ill-timed funding requests.
- (iv) Articulates the extent and size of any financial shortfall and options to address subsequent funding gaps.
- (v) Confirms the intention and capacity of private sector investors to respond if the council delivers priority projects.
- (vi) Identifies any non-financial commitments or actions that could be taken to accelerate or otherwise bring forward investment.

c) Financial benefit:

- (i) Makes best use of existing capital and revenue budgets and confirms allocations for priority projects within the Capital Programme.
- (ii) Makes best use of the capacity in other public sector agencies' budgets including seeking confirmation of any related/relevant capital plan allocations.
- (iii) Delivers better value for money and efficiency by maximising leverage from finance options and potential return on assets (including disposals).
- (iv) Ensures strategic coordination and prioritisation of available funding (including developer contributions).
- (v) Brings forward land and property that the council utilises to help acquire, develop or dispose of assets in support of maximising capital receipts and delivering economic growth.
- (vi) Minimises or removes the need for revenue support or ongoing maintenance costs.

Planning Timeframe

17. The Infrastructure Plan will be developed in two phases:

- a) **Phase 1 (2015 to 2028/31)** will be underpinned by an infrastructure pipeline, which will enhance visibility and certainty for partners and developers as known projects move from 'feasibility' toward 'shovel-ready'. This phase relates to the timeline for adopted and emerging local plans.
- b) **Phase 2 (2031/2050)** will ensure alignment with the Strategic Growth Plan 2050 and give a clear strategic direction for future development and the infrastructure required to support it. This phase relates to the need to take account of the preparation of the SGP which will set a strategic planning strategy beyond the timeframes of the current round of local plans.

18. The draft Plan attached as Appendix One therefore covers Phase 1 infrastructure required up to 2028/31 and sets out priorities and funding commitments/gaps. Appendix Two lists the Draft Project Pipeline and includes known and indicative funding from 'other' sources, including Local Growth Fund.

19. Provided as Appendix Three is an indication of longer-term core infrastructure provision - 'Draft Transport Infrastructure Plan (2031)' - which identifies possible major projects integral to Phase 1 and the development of Phase 2

Background Papers

Enabling Growth Plan

http://www.leics.gov.uk/enabling_growth_plan.pdf

Strategic Economic Plan

http://www.llep.org.uk/content/uploads/2015/03/SEP - full_document.pdf

Strategy for School and other Educational Places: In the Right Place

http://www.leics.gov.uk/in_the_right_place_-_strategy_for_school_and_educational_places_in_leicestershire_2014_-_2018_june_14-2.pdf

Adult Social Care Strategy: Promoting independence, supporting communities

http://www.leics.gov.uk/draft_adult_social_care_strategy.pdf

Corporate Asset Management Plan

[http://politics.leics.gov.uk/Published/C00000137/M00004342/AI00043807/\\$2015CAMPMasterFinal.pdfA.ps.pdf](http://politics.leics.gov.uk/Published/C00000137/M00004342/AI00043807/$2015CAMPMasterFinal.pdfA.ps.pdf)

Local Transport Plan (E&T Interim Commissioning Strategy Action Plan)

http://www.leics.gov.uk/ltp3_implementation_plan_2015-16_n0954-3.pdf

Superfast Leicestershire

<http://www.superfastleicestershire.org.uk/>

Appendices

Appendix One - Draft Infrastructure Plan

Appendix Two - Draft Project Pipeline (June 2016).

Appendix Three - Draft Transport Infrastructure Plan (2031)

Equality and Human Rights Implications

20. There are no equality or human rights implications arising from the recommendations in this report.

Partnership Working

21. Effective partnership working is critical to the delivery of projects identified in the Infrastructure Plan. The County Council is an active member of the Leicester and Leicestershire Enterprise Partnership, and its People, Place and Business Boards, which lead economic development investment across the sub-region. The Council will also work with districts, the City Council and through a range of other partnerships (including the Leicestershire Rural Partnership and Superfast Leicestershire) to deliver economic growth and meet future demographic infrastructure requirements.

Risk Assessment

22. A full risk assessment will be undertaken for all projects receiving funds as a result of the Infrastructure Plan.

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