



CABINET – 16 SEPTEMBER 2016

INFRASTRUCTURE PLAN

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek approval for the County Council Infrastructure Plan and the subsequent management and review arrangements which will ensure the County Council is well-placed to provide the required infrastructure to support future demographic and economic growth. The Infrastructure Plan is attached to this report as Appendix 1.

Recommendation

2. It is recommended that -
 - a) The County Council Infrastructure Plan be approved;
 - b) The management and review arrangements for the Plan, including strengthening long-term infrastructure planning and associated funding requirement estimates, be overseen by the Enabling Growth Board;
 - c) It be noted that the Plan will be reviewed to incorporate projected demographic, housing and employment growth and associated spatial options agreed through the development of the Strategic Growth Plan being prepared by the seven district councils, Leicester City Council and the County Council up until 2050.

Reasons for Recommendation

3. The Plan 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.
4. The Enabling Growth Board has overseen the development of the Plan to date, and recognises the need to strengthen and further develop long-term infrastructure planning including ensuring realistic funding estimates are available to help prioritise the Council's Capital Programme. The Enabling

Growth Board will also work closely with the Council's Finance Team to explore innovative and commercial funding models to help meet future demands.

5. This is the County Council's first Infrastructure Plan which brings together information on future capital investment requirements as a result of demographic and economic growth. All nine local authorities are currently working collaboratively to develop a Strategic Growth Plan (SGP) which will provide agreed spatial options for housing and economic growth up to 2050 and it will be necessary to align the Infrastructure Plan to the SGP as a second phase of the Plan's development.

Timetable for Decisions (including Scrutiny)

6. The Scrutiny Commission considered the draft Infrastructure Plan at its meeting on 13 July 2016, and its comments have been taken into account in preparing the final Plan. These are summarised in Part B of the report.
7. A consultation exercise was undertaken between 20 June and 29 July 2016 during which key stakeholders were invited to comment on the draft Plan. The responses are summarised in Part B of this report.

Policy Framework and Previous Decisions

8. In May 2014, the Council agreed a Strategic Plan, which identified five high-level priorities and supporting priorities and actions for 2014-18. 'Enabling economic growth' was identified as a high-level priority with 'Building the infrastructure for growth' as a key supporting priority.
9. In March 2015 the Cabinet agreed the Enabling Growth Plan (EGP) which identified the Council's intentions and investments that would support the delivery of economic growth. The EGP was aligned with the three key themes of the Leicester and Leicestershire Enterprise Partnership's Strategic Economic Plan: Place, People and Business. The 'Place Chapter' of the EGP puts specific emphasis on:
 - a. Investing in key economic development opportunities and providing the infrastructure needed to facilitate them;
 - b. Implementing strategic transport improvements, reducing congestion and encouraging sustainable travel;
 - c. Implementing the Superfast Leicestershire Broadband programme.
10. The draft Infrastructure Plan was agreed by the Cabinet for consultation in June 2016.

Resource Implications

11. In the Plan's project pipeline (attached as Appendix 2) committed and approved expenditure outlined in the Council's Medium Term Financial Strategy (2016/17 – 2019/20) and other secured funding administered by the County Council has been identified. External funds dependent on forthcoming

funding decisions, e.g. the LLEP's Local Growth Deal 3, are referenced along with future indicative and estimated funding requirements which will be subject to further business case development and the identification of appropriate funding sources.

12. The Infrastructure Plan will assist the Council in prioritising its own capital investments as well as supporting the prioritisation of bids for external funding.
13. A summary of the financial aspects of the final Plan are set out in Part B of this report.
14. The Director of Corporate Resources has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

15. This report has been circulated to all Members through the Members News in Brief Service.

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PART B

Background

16. Infrastructure investment is central to the aims and objectives of the Council to ensure that local services meet the needs of future demographic growth and that the conditions are right for economic growth. The Plan identifies three high-level outcomes and associated interventions required to deliver these up to 2031/36. The outcomes are: 'A connected Leicestershire'; 'A prosperous economy'; and 'Sustainable and independent communities'.
17. This Infrastructure Plan is the County Council's first, and it aims to provide a framework to support the prioritisation across all departments of future capital funding requirements to support growth, as well as providing a working project pipeline to improve investment forecasts.
18. Five of the seven Leicestershire district councils have adopted Local Plans – Blaby, Charnwood, Harborough, Hinckley and Bosworth and Oadby and Wigston. Melton and North West Leicestershire are currently working towards this. Planned growth set out in these Local Plans has formed the basis for this first phase of the Infrastructure Plan.
19. The County Council, along with the eight other local authorities in Leicester and Leicestershire, has committed to delivering a long-term Strategic Growth Plan which will set out the aspirations for delivering growth up to 2050. The Infrastructure Plan will therefore be reviewed, as a second phase, to take account of the emerging Strategic Growth Plan (SGP); the revised population, employment and housing forecasts anticipated via the imminent Housing and Economic Development Needs Analysis (HEDNA); and the subsequently agreed spatial options.
20. The second phase of the Infrastructure Plan will also be aligned to any future developments as a result of changes to the Council's Strategic Plan, development of a Combined Authority and /or Devolution Deal, and Midlands Engine / Midlands Connect priorities and investment plans.
21. With ongoing financial pressures on public and specifically local authority funding, and changes to how local authorities will be funded from 2020 it is essential that future capital funding and infrastructure development requirements are planned and prioritised for the longer-term. It is also essential that as a local authority the Council explores innovative and more commercial means of income generation to support this required investment.
22. The Enabling Growth Board acts as the lead officer advisory group to Corporate Management Team on the Council's economic growth planning and infrastructure development, in conjunction with other key bodies such as the Corporate Property Strategy Group and the Infrastructure and Development Oversight Group. It is responsible for briefing brief lead members whose portfolios reflect economic development priorities on cross-cutting and strategic

economic issues. The Board will therefore consider resource implications of the Council's economic and infrastructure growth ambitions and help plan and inform the effective use of capital investment to support leverage of government finance and other funding, whilst maximising capital receipts and minimising the need for revenue support or ongoing maintenance costs.

Draft Plan Consultation

23. The Scrutiny Commission considered the draft Plan on 13th July 2016. A number of issues were raised and as well as addressing comments directly in the final Plan itself, key responses are highlighted below:
 - a) Whilst it is recognised that the focus of this Plan is on County Council investment, there is a requirement to take account of opportunities and impact of schemes and investment in Leicester and any other activity within one or more of the district councils.
 - b) It is anticipated that the result of the European Union Referendum will have limited, if any, direct impact on the contents of the Plan due to limited funding referenced being made available from EU sources.
 - c) The Plan will need to be refreshed regularly to take account of the emerging Strategic Growth Plan 2050 and changes in circumstance and funding; in particular housing growth and supporting transport infrastructure.
 - d) Risk management is not articulated in the Plan; this will feature in the district Local Plans and will be integral to the individual infrastructure projects.
 - e) Health and utilities are not included in the Plan as it currently only refers to County Council functions.
24. The Plan has taken account of responses received through the consultation from key stakeholders, and where schemes proposed by district councils have not been included in the Plan, responses have been provided directly by the Council's Transport team. A summary is provided below:
 - a) *Highways England*: Welcomed the Council's commitment to (i) improving strategic road infrastructure and delivering key transport schemes in identified locations to support population, housing and employment growth, and (ii) collaborative working with district councils, Highways England and developers to plan, secure investment and deliver future infrastructure needs on the strategic road network.
 - b) *Loughborough University*: (i) Acknowledged importance of funding M1 Jnc23/A512 development as integral to success of Enterprise Zone delivery. (ii) Noted that the plan is focused on County Council infrastructure but highlighted the importance of utilities (including power) in any strategic developments.

- c) *Leicester City Council*: Welcomed the opportunity to comment on the plan and i) Acknowledged the plan will assist joint working and is a useful starting point for this work. ii) The plan needs to be aligned with the work around the Strategic Growth Plan and is useful for the delivery of housing growth and the supported employment required in Leicester and Leicestershire. iii) Highlighted that the Local Authority will continue to retain considerable responsibility under the recent White Paper, 'Educational Excellence Everywhere' and highlighted the need for cooperation and partnership working particularly over development affecting the education provision in the City and the County.
- d) *Charnwood Borough Council*: Whilst acknowledging the infrastructure projects identified specifically in relation to Charnwood, feedback requested clarity on the omission of a number of transport schemes in the area as identified in the 'Charnwood Infrastructure Schedule (March 2015)'.
- e) *North West Leicestershire District Council*: Feedback similar to above (b) with a number of additional key transport schemes identified for possible consideration as part of the infrastructure plan. There was also mention of future infrastructure needs in relation to planned development, not least regarding outcomes from HEDNA and links to the (emerging) Strategic Growth Plan (SGP).
- f) *Hinckley and Bosworth Borough Council*: Highlighted a number key issues in the Plan, including; (i) dualling of the A5 trunk road between the M69 and M42, inclusion of the Hinckley Area Project and improving traffic flow through the Desford Crossroads as key priorities for the district council; (ii) investment in school places to ensure availability and accessibility across the county and (iii) further investment into the rollout of high speed broadband, particularly to rural areas.
- g) *Melton Borough Council*: Main focus of response was on provision of school places linked to local plan (noting that its timeframe is to 2036 not 2031 as generally referred to for all local plans in the draft) and the need to make connections with all planned development, not just focussed primarily on Sustainable Neighbourhoods or SUEs. As with above (e), links between this plan and HEDNA/SGP were highlighted.
- h) *Harborough District Council*: Whilst welcoming the document in helping local authorities plan delivery of local plan commitments, it was felt that given future funding constraints (not least on S106 obligations), greater reference should be made to the Councils position on the 'Community Infrastructure Levy' and that this could be considered as part of 'other' sources of funding noted against infrastructure projects, including clarity on the use of S106 itself. Also identified the possibility of providing greater detail on some of the projects (e.g. location) and more clarity on actual capital commitment to ensure better understanding.

Final Plan

25. Following the report to the Cabinet in June 2016, further work has been undertaken on the Plan, specifically in relation to School Place Planning and Adult Social Care services.
26. In terms of School Place Planning, new school claims attached to Sustainable Urban Extensions (SUEs) and large-scale developments, along with pupil forecast data (from the 2016 School Capacity survey (SCAP) have now been used to provide forecast growth in school places along with the estimated financial requirements to deliver this growth. These are now included in the Education section of the project pipeline and further details are shown in Appendices 4, 5 and 6.
27. Strengthened references are also included for Adult Social Care, specifically the development of the Adult Social Care Accommodation Strategy for Older People will help initiate urgent work to guide, coordinate and facilitate the Council's contribution to the development of accommodation support for older people.
28. The Plan is attached as Appendix 1 and covers infrastructure required up to 2028/31 (Phase 1) and sets out priorities and funding commitments/gaps. Appendix 2 lists the Project Pipeline and includes known and indicative funding from 'other' sources, including the Local Growth Fund. Appendix 3 is an indication of longer-term core infrastructure provision - 'Transport Infrastructure Plan (2031)' - which identifies possible major projects integral to Phase 1 and the development of Phase 2 of the Plan, up to 2050.
29. Summary table of financial commitments:

	Funding 2016/31 - £m			
	County Council (latest MTFS) (a)	Indicative External Funds (b)	Other (c)	TOTAL
Transport	36.37	131.30	193.05	360.72
Broadband	2.50	0.00	11.50	14.00
Land & Assets	24.16	3.24	0.00	27.40
Schools	51.60	0.00	451.00	502.60
Extra Care	1.00	0.00	0.00	1.00
Community Grants	0.42	0.00	0.00	0.42
TOTAL	£116.05	£134.54	£655.55	£906.14

- (a) Includes County Council and other known funding from a public source, which the County Council has been awarded and administers.
- (b) Includes applications for grant funds either submitted or to be submitted.
- (c) Includes estimate of other external funds either submitted or to be submitted such as Section 106; match funding, other local authorities and estimated costs

Conclusion

30. The final Plan sets out a clear direction and ambition for the Council to focus what it will invest in and how it will seek to secure additional resources for infrastructure critical to enabling economic development and delivering and/or

unlocking economic growth, supporting the provision of housing and creating sustainable communities.

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 1 - Infrastructure Plan

Appendix 2 - Project Pipeline (August 2016).

Appendix 3 - Transport Infrastructure Plan (2031)

Appendix 4, 5 and 6 – School Projection Figures (2031)

Equality and Human Rights Implications

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

Partnership Working

32. 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 the proposed new Combined Authority, district councils, the City Council and a range of other partnerships (including the Leicestershire Rural Partnership and Superfast Leicestershire) to deliver economic growth and meet future infrastructure requirements.

Risk Assessment

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