

SCRUTINY COMMISSION

Housing Infrastructure Fund (HIF)

6 DECEMBER 2018

Ian Vears

Assistant Director, Environment & Transport



- Leicester and Leicestershire's housing needs:
 - 2011 to 2031 = 96,580
 - 2011 to 2036 = 117,900
- Pro-actively planning for the future - Strategic Growth Plan
- The proposed growth areas include:
 - Primary growth area: The A46 Priority Growth Corridor (the 'expressway' proposal for the A46)
 - Key centre for regeneration and growth: Melton Mowbray
 - Managed growth in Local Plans: Lutterworth

Bidding for government funds has secured over £120m for schemes over the last 5 years

Secured:

- Melton Mowbray Distributor Road: £50m
- A46/Anstey Lane: £5m
- Leicester North West : £16m
- Lubbethorpe Strategic Employment Site: £3m
- M1 J22 and A42 J13: £5m
- Tesco Roundabout Ashby: £2m
- Hinckley Area Project and Hub junctions: £14m
- M1 J23: £27m

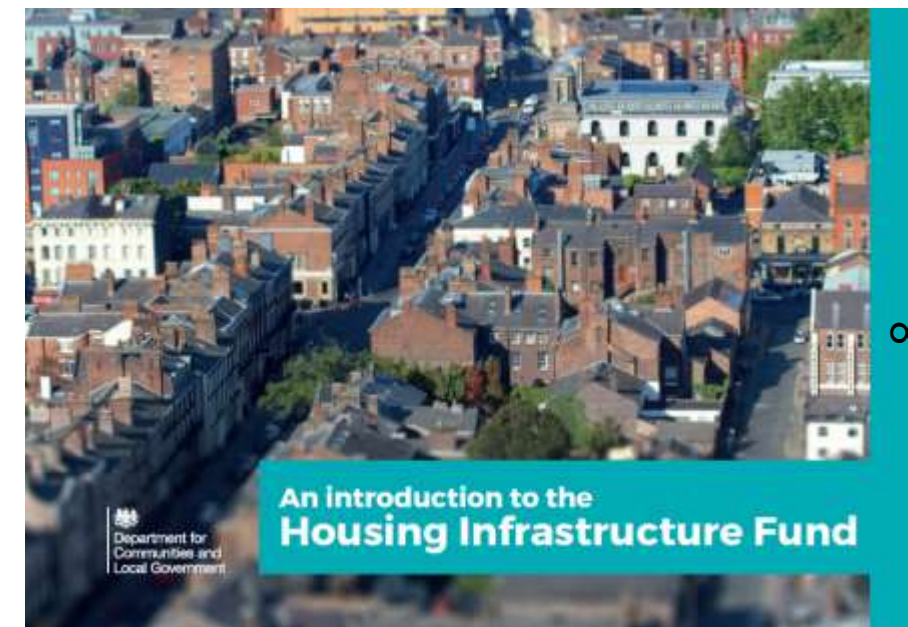
Excludes:

- Highways England investment
- Network Rail investment
- Developer schemes ↘

Bidding for:

- Growth and Housing Fund M1 J20: £5m
- Housing Infrastructure Fund

- In July 2017 government announced the launch of a £2.3 billion Housing Infrastructure Fund (HIF). Subsequent budget announcements have now increased this to £5.5bn
- HIF is part of the government's wider £23 billion National Productivity Investment Fund, which targets spending on areas critical to boosting productivity
- HIF aims to unlock new homes in areas of high demand, by helping to fund vital physical infrastructure, the absence of which continues to hold housebuilding back
- The fund supports councils to step up their plans for growth, release more land for housing and get attractive, well designed homes that people want to live in built at pace and scale
- HIF now aims to unlock some 650,000 homes nationally.



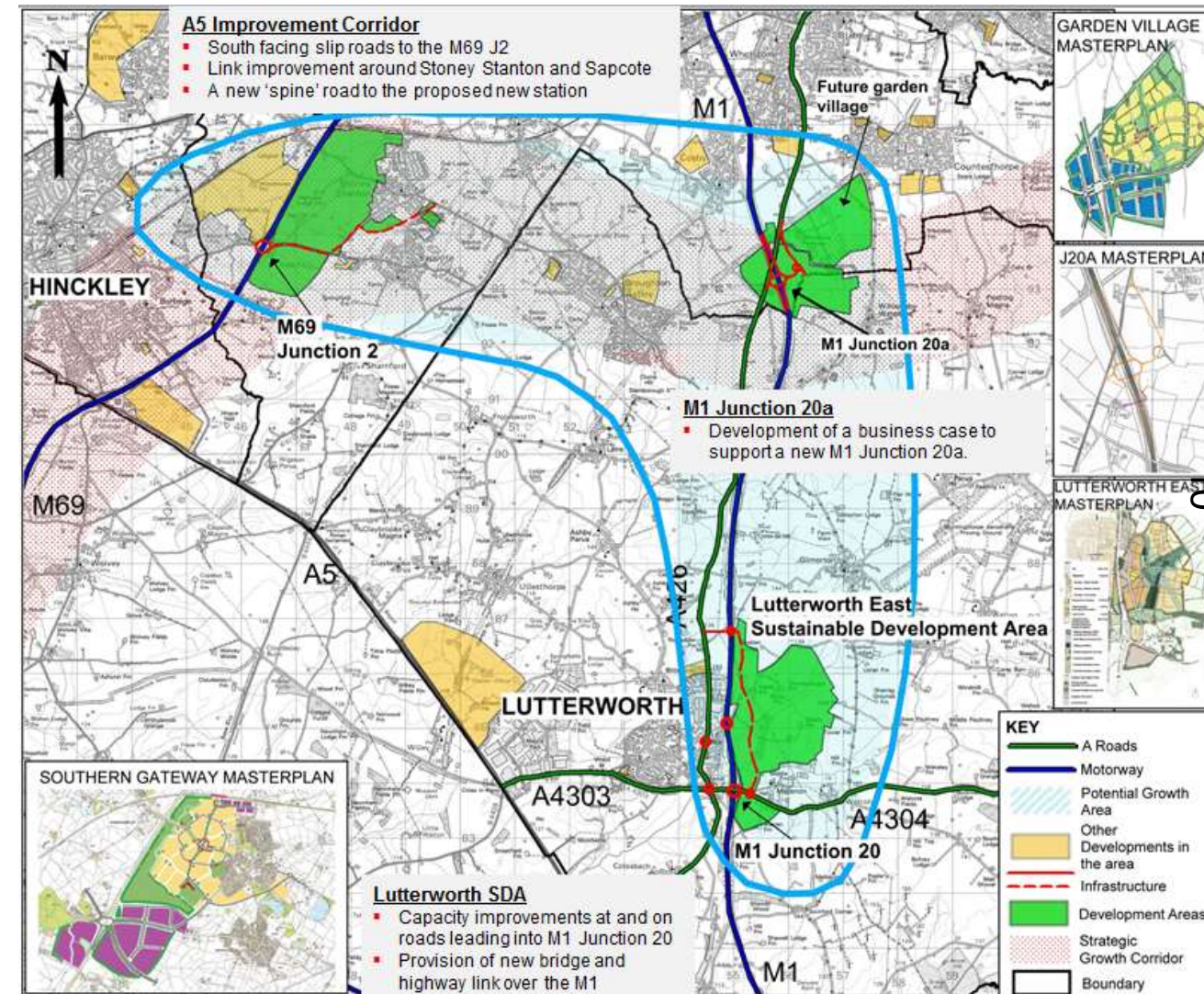
SWLGA (MIJ20a/M69J2 and link road)

- The bid focuses on demonstrating the strategic links to the Strategic Growth Plan and Midlands Engine
- The strategic case demonstrates Leicestershire's ambitious plans for growth and how infrastructure not only provides more immediate housing opportunities but unlocks growth to 2050
- Also supports delivery of nationally significant transport infrastructure that unlocks significant economic growth across the region.

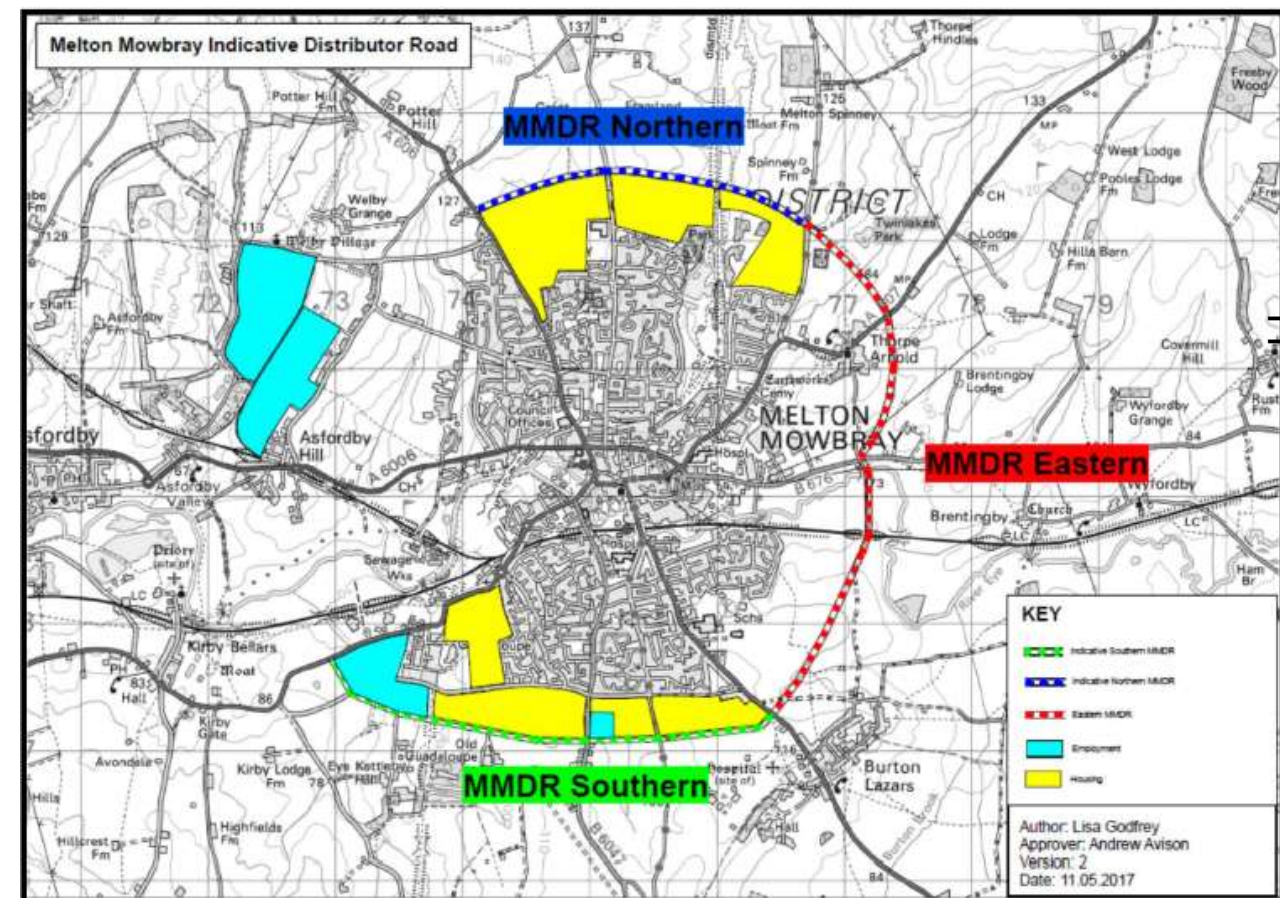
MMDR

- The bid focuses on the acceleration of housing, as a result of bringing forward the road earlier (South Sustainable Neighbourhood)
- The infrastructure 'ask' focusses on the southern section (the north and east sections covered by the DfT Large Majors bid)

- Supports infrastructure along A46 Growth Corridor
- The SWLGA includes three main elements within the A46 growth corridor
 - Lutterworth East
 - M69 junction 2
 - M1 junction 20a
- Significant number of homes could be delivered
- unlocks several thousand new homes (identified in SGP) and brings forward potential for new homes around new M1 junction 20a. All subject to commercial developer discussion and future local plan process
- Investment in transport infrastructure in this area will enable housing schemes to be accelerated
- HIF 'ask' approx. £40m (plus developer contribution)



- The southern section of the MMDR is included in the Melton Mowbray Transport Strategy, which is being developed jointly by the County and Melton Borough Councils.
- This project helps support the planned growth in Melton Borough Council's Local Plan.
- Delivers southern section of the Distributor Road
- This is in addition to the northern and eastern sections for which DfT Local Major Funding being sought
- Supports delivery of minimum 1,500 homes, employment land and community facilities
- HIF 'ask: up to £10m (plus substantial developer contribution)



Two stage process:

- Stage 1 - Expression of Interest (EOI)
 - 20 March 2018 government confirmed both SWLGA and MMDR(S) moving to stage 2
- Stage 2 - Business case

Strict requirement for applications (bids):

- Grant funding must be required to deliver physical infrastructure
- Strong evidence that infrastructure is necessary to unlock new homes
- level of HIF funding required per dwelling is *the* critical determinate
- Supports delivery of an up-to-date Local Plan, or speed up getting one in place
- Project supported locally
- Funding must be spent by 2023

Applications will be assessed on:

- Strategic approach, strong leadership and joint working
- Evidence
- Dwellings delivered
- Value for money
- Partnership working
- Deliverability (once proposals are approved, it is expected that local authorities will begin to build the necessary infrastructure immediately)

Details of bids remain confidential e.g. because of commercial sensitivities

- Cabinet 18 December 2018
- Continue to develop business cases, in line with co-development framework to ensure credible bids
- Engage with promoters and interested developers, including LCC, to support the deliverability argument of the bids and consider maximising match funding opportunities.
- Work closely with Blaby District Council for master planning of M69 J2 and M1 J20a opportunities
- Work closely with Melton Borough Council for master planning of MMDR
- Undertake further engagement and consultation arising from any changes or improvements to the schemes from detailed design work and feedback
- Submit bids March 2019
- Confirmation of securing funding (or not) – May 2019
- Advise members of the outcome of the HIF bids
- Complete all further work necessary to prepare the schemes for construction

All subject to further consideration of Local Plan development and consultation

This page is intentionally left blank