

Communities, Housing and Planning Policy Development Panel
8 February 2023

Greater Norwich Five Year Infrastructure Investment Plan and Annual Growth Programme

Report Author(s): Paul Harris
Place Shaping Manager
01603 430444
paul.harris@southnorfolkandbroadland.gov.uk

Portfolio: Communities, Housing and Planning

Ward(s) Affected: All

Purpose of the Report:

To agree the draft Greater Norwich Joint Five-Year Infrastructure Investment Plan 2023 to 2028 including the allocation of Community Infrastructure Levy (CIL) to the projects included within Annual Growth Programme (AGP). In addition, to agree: to the introduction of Match Funding and Major Infrastructure Plan categories to the Infrastructure Investment Fund; that CIL funding for education can be used in whole or in part to repay County Council education borrowing; and, to agree to a deed of variation to the Partner Drawdown and Borrowing Authorisations agreement.

Recommendations:

It is recommended that the Communities, Housing and Planning Policy Development Panel advises Cabinet to recommend to Council that it:

- a) approves of the Draft Five Year Infrastructure Investment Plan 2023-28 and the proposed 2023/24 Annual Growth Programme, including:
 - i) the introduction of two new categories to the Infrastructure Investment Fund, Match Funding and Major Infrastructure Projects;and,
 - ii) that Education funding allocations from the Infrastructure Investment Fund can be used in whole or in part to repay Norfolk County Council's borrowing,

on condition that it is used to support the delivery of a Schools Capital Programme that is ringfenced to the Greater Norwich area, and that annual programme delivery and budget updates are reported to the GNGB;

and,

- b) agrees to the signing of a deed of variation to the agreement entitled, Partner Drawdown and Borrowing Authorisations, that was originally signed by all partners on 21st October 2015 and to delegate authority to the Director for Place in consultation with the Portfolio Holder for Communities, Housing and Planning to finalise and sign any such variation.

1. Summary

1.1 This report presents:

- The draft Greater Norwich Joint Five Year Infrastructure Investment Plan 2023 to 2028. The five year plan includes: progress report on previously approved projects; proposals for new projects to be funded by pooled Community Infrastructure Levy (CIL) in 2023/24, otherwise known as the 2023/24 Annual Growth Programme (AGP); updated forecasts of CIL income; and, information on future project priorities.
- Proposals for three amendments to the existing Infrastructure Investment Fund (IIF) procedures/practice;

and,

- A proposed deed of variation to be agreed for to the Greater Norwich Partner Drawdown and Borrowing Authorisations agreement to enable delivery of the Long Stratton Bypass;

1.2 In accordance with the CIL pooling arrangements for Greater Norwich's Infrastructure Investment Fund (IIF), each of the three CIL charging authorities: Broadland District Council; Norwich City Council; and, South Norfolk Council need to separately agree to the recommendations within this report for them to take effect.

2. Background

1.3 Broadland, Norwich and South Norfolk have each resolved to levy a charge on new development within their area. This charge is known as the Community Infrastructure Levy (CIL) and is used to help deliver certain types of infrastructure needed to support development in the Greater Norwich area.

1.4 In 2013 the Greater Norwich authorities (Broadland District Council, Norwich City Council, South Norfolk Council and Norfolk County Council) together with the New Anglia Local Enterprise Partnership, signed a City Deal with Government. The City Deal agreed a strategic infrastructure programme which would be supported by access to reduced cost borrowing and the local authorities made a commitment to

pool a significant proportion of Community Infrastructure Levy (CIL) income to form a joint Infrastructure Investment Fund (IIF).

- 1.5 The Greater Norwich Growth Board has responsibility for managing the IIF and assembling the Annual Growth Programme (AGP) from the Joint Five-Year Infrastructure Investment Plan (5YIIP). The AGP identifies those projects that will be allocated CIL funding.
- 1.6 Infrastructure needed to support planned growth overall is identified through the Greater Norwich Infrastructure Plan (GNIP). The GNIP identifies infrastructure priorities to support growth within Greater Norwich and details the progress of infrastructure delivery within this area. The GNIP was updated prior to the preparation of the 2023-28 5YIIP. The GNIP is listed as a background paper to this report.

3. Current position/findings

- 1.7 Taking account of a range of evidence and information from Council Officers and other Stakeholders, the 2023-28 5YIIP has been prepared. This identifies a number of projects that are currently considered to be a priority for delivery over the next 5 years to assist in achieving the economic growth targets as set out in the Council's Development Plan and the Greater Norwich City Deal. The 5YIIP is included as Appendix A to this report.
- 1.8 If agreed by the each of the three CIL charging authorities within Greater Norwich: Broadland District Council; Norwich City Council; and, South Norfolk Council projects recommended to be allocated pooled CIL funding within the 5YIIP will be duly adopted within the respective year's Annual Growth Programme (AGP). Projects identified within the 5YIIP but not within an AGP remain priorities but have not been allocated CIL funding.
- 1.9 This 5YIIP plan also sets out an updated position on infrastructure delivery, includes revised CIL income forecasts, provides updates on projects accepted within previous AGPs and outlines planned preparatory work for infrastructure schemes for future years.
- 1.10 In addition to the above, Officers have identified a number of procedure/practice improvements to the IIF that would help ensure the effective delivery of infrastructure. Also, that amendments are needed to the Partner Draw-down and Borrowing Authorisations in connection with the proposed loan agreement for the Long Stratton Bypass. Agreement to these changes/amendments are sought within this report.
- 1.11 The changes/authorisations proposed within this report were considered and agreed by the Greater Norwich Growth Board (GNGB) on 15 December 2022.

4. Proposed Action

2022/23 Annual Growth Programme (AGP)

- 1.12 Following a successful outcome to their evaluation in accordance with the agreed project appraisal procedure, it is proposed that funding is CIL is allocated to 9 projects totalling £10,632,243. The 9 projects include 1 project considered to be a key priority in Broadland that either enable or support planned growth within the district. This project is identified in table 1 below.

Table 1 - Proposed 2023/24 Annual Growth Programme

Project Name	Applicant	Amount of CIL requested	Total project size
Youngs Park, Aylsham – 3G AGP	Broadland	£250,000	£900,00
Hethersett to NRP Cycle Route	Norfolk County Council	£501,015	£728,015
Venta Icenorum access improvements – Phase 1	South Norfolk	£153,128	£155,628
Queens Hills Community Park	South Norfolk	£133,552	£153,552
Cringleford Country Park	South Norfolk	£468,000	£798,000
Easton Village Hall	South Norfolk	£505,000	£1,505,204
Sloughbottom Park Regeneration	Norwich	£850,000	£8,512,025
Guildhall & Exchange Street Regeneration	Norwich	£2,771,548	£5,894,000
Hethel Technology Park – Roundabout and Access Road	South Norfolk	£5,000,000	£8,218,900
TOTAL		£10,632,243	£26,865,324

- 1.13 In addition to these nine projects, it is proposed that Children’s Services at Norfolk County Council receive £2.5million to support the development of their education capital programme within Greater Norwich. It is expected that this funding will help support the delivery of extensions at both Wymondham High School and Hethersett High School. Furthermore, it is proposed that £4million is allocated to the IIF reserves in connection with the creation of the new Match Funding IIF category, details of which are provided below.

Match Funding and Major Infrastructure

- 1.14 Under current procedures, projects can only be allocated funding from the IIF if they are deliverable and they can only apply for funding within one annual round of project applications. This requirement for projects to be 'shovel ready' has ensured the stability and success of the IIF, however it has also created limitations with supporting key strategic pieces of major infrastructure. Major infrastructure and regeneration projects take many years to progress, which makes them currently ineligible for early application to the IIF.
- 1.15 It is therefore proposed that two new categories should be added to the IIF processes of allocation; Major Infrastructure Projects and Match Funding. This will enable some large strategic projects to have IIF earmarked to their delivery in the medium to long term.
- 1.16 Further details about how this will work in practice are included within Appendix B.

Education Capital Borrowing

- 1.17 At its meeting of 6th October 2022, the GNGB received an update regarding the delivery of Norfolk Children's Services Education Capital Programme. As part of this update, it was reported that to safeguard the medium to long term school capital programme Norfolk County Council (NCC) has underwritten any future shortfall of funding with a commitment to borrow where required. To support this decision, NCC requested a change to the way that future allocations are made from the IIF. Specifically, that IIF funding can be used in whole or in part to repay NCC's own borrowing for education.
- 1.18 It is therefore proposed that NCC are allowed to utilise CIL funding as requested. This proposal will require a commitment to be made to an Education Capital Programme that is ringfenced to Greater Norwich, instead of individual projects. This will allow for it to be used to repay NCCs borrowing with any remaining balance to be invested directly into a specified capital project.
- 1.19 Further details of the proposed approach are included within Appendix B.

Partner Draw-down and Borrowing Authorisations Agreement

- 1.20 £10m of CIL supported borrowing was allocated to Long Stratton Bypass (LSBP) through the Greater Norwich City Deal agreement which was signed with Government in December 2013. This gave the GNGB access to lower-cost borrowing from the Public Works Loan Board (PWLb).
- 1.21 As part of the approval process for last year's Greater Norwich 5YIIP 2022 to 2027, Broadland, Norwich and South Norfolk Councils agreed a draft legal loan agreement and for the GNGB to be granted delegated authority to sign the final legal loan agreement for the LSBP loan draw down, together with their s151 officer's and under the direction of Norfolk County Council as the Accountable Body. As agreed within the signed Joint Working Agreement, a unanimous

decision will be required from all GNGB members (the Council Leaders) prior to the signing and the draw down being actioned.

- 1.22 On 6th October 2022, following the review of a project change request, the GNGB unanimously agreed for the City Deal borrowing to support the delivery of LSBP to be increased from the £6.733m identified in last year's 5YIIP to £10m, the full amount allocated within the City Deal Document.
- 1.23 The legal agreement that will support this loan was intended to be added as 'schedule 2' to the original Partner Draw-down and Borrowing Authorisations that was signed by all partners on 21st October 2015.
- 1.24 On review of the 2015 agreement, Nplaw advised that it is not clear that additional loans can be added to schedule 2. Therefore, for the avoidance of doubt, they have advised that a minor amendment should be made to the original 2015 agreement, which once signed by all partners will enable the agreed LSBP loan to be added as originally intended.
- 1.25 It is proposed therefore proposed that such amendments are made to the agreement in order to enable borrowing to support the delivery of the Long Stratton Bypass.
- 1.26 More details and the draft deed of variation is detailed within Appendix B.

5. Other options

- 1.27 The Committee may choose to recommend amendments to the 5YIIP prior to its agreement. This may include proposing to agree funding for only some of the 9 projects identified for CIL funding in 2022/23; proposing that funding is not approved to support the Education Capital Programme and/or that any other of the recommended actions are amended and/or not agreed. Due to the need to secure the agreement of all partners, if amendments are proposed to the proposed actions, this is likely to cause a delay to the agreement of the 5YIIP and AGP. The extent of any such delay would depend on the amendments proposed.
- 1.28 In order to ensure: a) the timely delivery of the AGP; and, b) that all projects that receive pooled CIL funding have been properly evaluated in accordance with agreed project appraisal procedure, it would not be reasonable to recommend additional projects for CIL funding within the 2023/24 AGP. The project appraisal process ensures, as far as practicable, that projects are strategically justified and deliverable.
- 1.29 If the committee considers that there are additional priority projects that should be considered for the allocation of pooled CIL funding then a further recommendation should be made. This recommendation should propose that the Director of Place be instructed to progress such projects in accordance with the IIF procedures.

6. Issues and risks

- 1.30 **Resource Implications** – The most significant immediate risks relate to project cost control and delivery. For the projects within Broadland, these risks are being

minimised through the Council's own project management processes. This includes support, as appropriate, for partner organisations where they will be responsible for the delivery of these schemes as is the case with the Aylsham Football Club proposal.

There may also be ongoing management and maintenance costs following delivery of the schemes. Maintenance and management of the Aylsham scheme will be met separately by the partner organisation.

There remains a risk that CIL income will not cover all commitments made within the agreed programme. This risk is mitigated by ongoing programme management of the IIF provided by the Greater Norwich Project Team and overseen by the Greater Norwich Growth Board and the significant amount of CIL liable from planned growth within Greater Norwich. A forecast of income from planned growth is included in Table 1 of the 5YIIP.

The emerging Levelling Up and Regeneration Bill (LURB) includes provision for the existing CIL and S106 to be replaced by a new, consolidated "Infrastructure Levy". At a national level the new system would aim to increase revenues when compared to the current system. However, the Planning for the Future White Paper that preceded the LURB also recognises that in some low value areas development would be likely to fall below the minimum value-based threshold for making contributions under the new system. This situation will need to be kept under review.

- 1.31 **Legal Implications** – No legal advice has been sought as part of the preparation of this report. The main legal implication arising from the agreement of the 5YIIP and approval of the AGP relates to the finalisation of the Long Stratton Bypass loan agreement in accordance with previous resolutions of Council. The draft agreement is based on the legal loan agreement signed for the Broadland Northway, and further advice is being taken as necessary by the Director for Place, Assistant Director for Finance and Leader of the Council and Portfolio Holder for Policy under the delegated authority assigned to them. Such advice has identified the need for the further deed of variation identified in this report.

Project specific legal advice will be taken as necessary in the delivery of the identified AGP projects.

In accordance with the Council's practices, there has been engagement with the Monitoring Officer, and the wider Corporate Management Leadership Team (CMLT) in the preparation of this report.

- 1.32 **Equality Implications** – An EQIA accompanies this report.
- 1.33 **Environmental Impact** – The environmental impacts associated with the identified schemes will be considered, as relevant, as part of the relevant consenting process. The growth and development which the infrastructure within this report supports was subject to Sustainability Appraisal (SA), incorporating Strategic Environmental Assessment (SEA) and Habitat Regulation Assessment (HRA) as part of the Council's plan making process or was otherwise assessed appropriately as part of the approval of planning applications. This includes the principle of the Long Stratton Bypass that was established in the Joint Core

Strategy and also considered within the Long Stratton Area Action Plan and is now being assessed at a scheme level through the relevant planning application.

1.34 **Crime and Disorder** – It is not considered that any of the proposed schemes are likely to raise significant concerns in terms of crime and disorder.

1.35 **Risks** – There are not considered to be any specific risks other than those specifically documented above arising from the recommendations in this report.

7. Conclusion

1.36 The projects within the 5YIIP have been identified with reference to evidence and the input of officers and stakeholders. The projects are therefore appropriately identified as those currently considered to be a priority for delivery to assist in achieving the economic growth targets as set out in the Joint Core Strategy and the Greater Norwich City Deal.

1.37 The 9 new projects proposed for CIL funding in 2023/24 have been agreed by the Greater Norwich Growth Board (GNGB), following an assessment of their suitability by the Greater Norwich Project's Team, in accordance with the adopted processes for the Infrastructure Investment Fund (IIF). It is therefore appropriate to allocate pooled CIL funding to these projects.

1.38 With available CIL funding in place, the allocation of £2.5M to support the Education Capital Programme remains an important part of the ongoing support provided to address the education impacts of growth as is allowing Norfolk County Council additional flexibility to use CIL funding to support their capital borrowing to delivery school improvements in Greater Norwich.

1.39 The introduction of the Match Funding and Major Infrastructure categories to the IIF, alongside the allocation of £4M of CIL to IIF reserves to support the Match Funding category, will effectively address some limitations within current processes that may prevent effective infrastructure delivery.

1.40 Agreement to amend the Partner Drawdown and Borrowing Authorisations, originally signed by all partners on 21st October 2015, is necessary to enable borrowing to support the delivery of the Long Stratton Bypass. The Long Stratton Bypass is a key infrastructure priority.

8. Recommendations

1.41 It is recommended that Communities, Housing and Planning Policy Development Panel advises Cabinet to recommend to Council that it:

a) approves of the Draft Five Year Infrastructure Investment Plan 2023-28 and the proposed 2023/24 Annual Growth Programme, including:

i) the introduction of two new categories to the Infrastructure Investment Fund, Match Funding and Major Infrastructure Projects;

and,

ii) that Education funding allocations from the Infrastructure Investment Fund can be used in whole or in part to repay Norfolk County Council's borrowing, on condition that it is used to support the delivery of a Schools Capital Programme that is ringfenced to the Greater Norwich area, and that annual programme delivery and budget updates are reported to the GNGB;

and,

b) agrees to the signing of a deed of variation to the agreement entitled, Partner Drawdown and Borrowing Authorisations, that was originally signed by all partners on 21st October 2015 and to delegate authority to the Director for Place in consultation with the Portfolio Holder for Planning, Communities and Housing to finalise and sign any such variation.

Background papers

[Greater Norwich Infrastructure Plan](#)