Greater Norwich Growth Board

Infrastructure Investment Fund Programme Governance

Purpose

The purpose of the Infrastructure Investment Fund is to deliver the capital programme of projects identified in the Joint Core Strategy (JCS) and the Local Investment Plan and Programme (LIPP). These include but are not restricted to:

- Norwich Area Transportation Strategy (NATS), including the NDR
- Long Stratton Bypass
- Schools
- Green Infrastructure
- Community Space
- Libraries
- Sports Provision

It is estimated that this represents approximately £440 million of investment over a fifteen year duration (the figures are based on the current cost of these projects as presented to HMT as part of PWLB agreement). The project profile will be updated through the agreed business plans and managed by the Greater Norwich Growth Board.

Management of the Infrastructure Investment Fund

The decision on the timing and delivery of the projects will be determined by the Greater Norwich Growth Board, who will ensure the co-ordination between projects being delivered by the Strategic Infrastructure Investment Fund and those being delivered by the Local Infrastructure Fund. They will also ensure the wider synchronization of Infrastructure projects alongside the other two key strands of the City Deal programme, namely Skills and Business Support.

Norfolk County Council has been given the authority through the Greater Norwich City Deal agreement to borrow up to £60 million from the Public Works Loan Board (PWLB) to assist with the delivery of the LIPP.

In the overarching governance, the Greater Norwich Growth Board has the authority to request Norfolk County Council to borrow on its behalf.

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Delivery of the Infrastructure Investment Fund

The implementation of the agreed programme of projects will be through the Greater Norwich Growth Board. The Board will use the joint business plan to determine the programme of projects for the forthcoming year and the next five years and the timeline for delivery. This Board will decide how each project will be delivered and the appropriate accountable body for delivery of each project.

Process for determining the timing of the delivery of projects

Broadland, Norwich City, South Norfolk and Norfolk County Councils, and New Anglia LEP will produce a joint business plan that will take account of the requirements across the three districts and will prioritise the projects to be delivered in the whole area as well as the geographical area for their council. The joint business plan will require prior approval by the Councils and the LEP.

The Greater Norwich Growth Board will report annually on the progress of each project by the 1 June, this information will assist the Councils' annual review of the joint plan. Any changes which the Councils wish to see will be reflected in the revised joint business plan which will be submitted to the Greater Norwich Growth Board.

The joint business plan will be reviewed by each Council on an annual basis with any agreed changes being fed through to the programme setting process by the Greater Norwich Growth Board. The approval by each Council of the joint business plan will be completed annually by the 30 September

Criteria for prioritisation

To assist the Greater Norwich Growth Board in determining the order of priority and to manage the annual delivery, projects will be assessed against set criteria. These criteria will include:

- **Projects which are already in progress.** Projects which are in progress that can demonstrate certainty of delivery, will take precedence over any new projects. Any changes in cost and timescale will be taken into account.

- **The funding of the individual projects.** Where projects are being funded by central government or European funding then this may determine the timing of their delivery.

- **The impact of the delivery of the individual project in terms of jobs, housing and economic growth**. Those projects which contribute a higher level of these will need to be delivered sooner, having taken any constraints into account such as planning permissions, external funding, co-reliance of other on-going projects etc.

- Criteria to assess the prioritisation/authorisation of the projects is agreed and in place as set out in the Local investment Plan and Programme.
- The integration of this programme with those projects being delivered through the Local Infrastructure Fund and the other two strands of the City Deal.
- The funding of the programme and how the timing of individual projects will impact on the requirement to borrow. The Greater Norwich Growth Board will need to balance the delivery of the projects with the cost of borrowing.

The Greater Norwich Growth Board will determine the programme for the forthcoming year by the 31 December together with the accountable body for each project. Unless there is good reason Norfolk County Council will be the (financial) accountable body. The body taking responsibility for procuring and delivering the project will be assessed as part of the programme.

Funding of agreed programme & Community Infrastructure Levy (CIL)

The GNDP has identified funding from a variety of sources including planning obligations under s.106 of the Town and Country Planning Act, Government departments and agencies and the Community Infrastructure Levy (CIL). Apart from CIL the other sources of funding can be aligned with specific projects.

The funding remains fluid as new sources are identified or can be applied for as projects are commenced.

Current estimates are that there will be a funding gap for which PWLB financing can be used. Under current regulations only Norfolk County Council are permitted to borrow against the future income stream from CIL (in accordance with the CIL regulations). Under the City Deals agreement a lower rate of borrowing has been agreed from the PWLB for borrowings up to £60 million.

In order to give assurance to Norfolk County Council, as the accountable body, that the CIL funding will be made available, the three local authorities will sign an agreement to pass over their contribution to Norfolk County Council or other accountable bodies (if different to Norfolk County Council). It is recognised that the CIL may be used to repay borrowing undertaken by Norfolk County Council on behalf of the Greater Norwich Growth Board for the delivery of the LIPP.

The local authorities will pass CIL over to the accountable body on a half yearly basis. The accountable body will invest the CIL income, in order to earn interest until such time that it is required. The interest will be invested in the projects as well.

In accordance with the CIL legislation, Norwich City Council, Broadland or South Norfolk District Councils deduct up a maximum of 5% of the CIL to cover administration costs, such as invoicing and collection of CIL

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The relevant percentage of CIL which is required to be paid over to the Parish/Town Council in Broadland and South Norfolk is dependent upon whether there is a Neighbourhood plan in place. As Norwich is un-parished the community element of CIL (15%) will held and managed by the City Council. The remaining balance of CIL from each local authority will be designated for infrastructure investment, identified in the long-term capital programme to 2026.

Profiling of spend v funding

It is essential that the Greater Norwich Growth Board consider the cost of borrowing when agreeing the programme of projects, as this will need to be paid from CIL income.

Funding will be allocated to projects on the following basis and in this order:

- Funding which has been provided specifically to that project
- The CIL funding will then be spread pro-rata annually (as a percentage of the outstanding funding requirement for each project) across the projects so that if there is a shortfall, the cost of borrowing is then attributed across these projects as well.

It is important to establish the method funding is allocated to individual projects so that it is clear the amount of borrowing (if any) that is being used to fund individual projects. This will be important should any of the local authorities wish to exit the agreement in future years.

Commissioning of projects

Once the Greater Norwich Growth Board has agreed the programme of projects then the Greater Norwich Infrastructure Delivery Board will commission the work required to deliver the project in accordance with the County or accountable body's rules of financial governance and contract standing orders.

Monitoring & Reporting of projects

The Accountable Body will report monthly to the Greater Norwich Infrastructure Delivery Board on the progress of its individual projects in accordance with the signed-off contract/delivery timeline. This reporting will include as a minimum:

- Progress against the agreed project plan including milestones
- Progress against the agreed budget, including justification for variances and slippages;
- Where there are slippages on programmes, how these will be addressed and potential impact on overall delivery of the programme;

- Major risks and their mitigation
- Communication plans around the progress and delivery of projects to the public so there is no confusion between the members of the Greater Norwich Growth Board on the message being told.

The reporting must highlight any variations in terms of timescale, costs, resources and funding.

The Greater Norwich Infrastructure Delivery Board will report regularly to the Greater Norwich Growth Board on all projects and highlight those which are not being delivered as agreed. Where issues arise then the Greater Norwich Growth Board have the authority to reprioritise the programme of projects. This includes:

- Bringing projects forward where other projects have been delayed.
- Delaying forthcoming projects to enable funding to be reassigned to existing projects whose costs have increased.
- Requesting Norfolk County Council to borrow to pay for unexpected increases in costs for projects already underway.
- Stopping projects should the need arise.

It has been agreed through the City Deals that the four local authorities, in their reporting requirements for the use of CIL, will not have to comply with the requirement to report at individual project level the amount of CIL which they have individually utilised. Instead the authorities can state the amount of CIL they have used as a total and list those projects which CIL has funded.

Delivery of projects – signing and adoption after completion

The Greater Norwich Infrastructure Delivery Board will sign off each completed project. Once the project has been delivered by the Accountable Body it will be adopted by the applicable authority and on-going maintenance of these assets will be the responsibility of the adopter.

Formal Agreement

There is a requirement for the Greater Norwich Growth Board to have a formal agreement with the Accountable Bodies, prior to the commencement of the programme of projects. This agreement must bind authorities with regards to:

- Passing to the accountable body the balance of CIL after the admin percentage (up to 5%) and the Parish/Town Council proportion (15 or 25% if a neighbourhood Plan is in place) has been paid

- The criteria for assessing the business plans to formulate the programme of projects

- An exit strategy for a local authority

Exiting agreement early

The delivery of the strategic infrastructure in the LIPP is predicted to take fifteen years, and it is anticipated that the Greater Norwich Growth Board will be in existence for the whole duration.