



Leicester
City Council

WARDS AFFECTED: FOSSE, ABBEY AND CASTLE

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
CABINET

23rd June 2008

COMMUNITY INFRASTRUCTURE FUND (ROUND 2) APPLICATION

Report of the Corporate Director Regeneration & Culture

1. PURPOSE OF REPORT

- 1.1 This report informs Cabinet about the Community Infrastructure Fund 2 (CIF2), the Councils applications and its potential financial commitments of CIF2 should the scheme applications be successful.

2. SUMMARY

- 2.1 The Housing Green Paper, *Homes for the future: more affordable, more sustainable* (published July 2007), announced £300m would be available for a second round of the Community Infrastructure Fund (CIF2) in the Growth Areas, Growth Points and Eco-towns. CIF is designed to complement mainstream transport funding, uniquely linking the provision of funding for transport infrastructure to the delivery of housing. CIF will fund the type of schemes that are vital locally to unlocking large housing development sites, enabling the acceleration of housing development and improving the sustainability of major locations of housing growth
- 2.2 The Council has identified 5 Schemes that have gone forward as applications to the fund, We believe they are the most suitable to the fund's expression of interest criteria based on strategic fit, deliverability and economic case. Schemes need to demonstrate a high likelihood of being delivered by March 2011. The table below lists the schemes, their overall cost, the CIF2 bid amount and the balance that has to be found by other sources:

Scheme	Total est. cost of scheme (£m)	CIF2 application (£m)	Balance to be found (£m)
a) Waterside Link Road & River Bridge	13.75	9.1	4.65
b) Waterside Sanvey Gate Junction Improvement	3.1	1.85	1.25
c) Waterside Canal Bridge	5.6	5	0.6
d) Leicester City Centre Bus Stopping	0.9	0.7	0.2
e) Leicester SCOOT with Bus Prioritising	0.5	0.3	0.2
TOTALS	23.85	16.95	6.85

3. RECOMMENDATIONS

3.1 Cabinet is recommended to:-

- Note the opportunities of the fund, the benefits of the schemes and the potential financial commitments to the Council should they be successful
- Recommend that the schemes be taken forward for consideration for funding from the City Council's Capital Funds and New Growth Point.

4. **REPORT**

Community Infrastructure Fund - Round 2

4.1 The Government announced in the Thames Gateway Delivery Plan, published November 2007, an allocation of £100 million from CIF2 to invest in 13 proposed local transport schemes in the Gateway, with the remaining £200 million available to the other Growth Areas, Growth Points and Eco-towns. There will be no apportionment of funds between Growth Areas, Growth Points or Eco-towns. Funds will be awarded on the merits of the schemes put forward.

4.2 The first round of CIF funded a range of small to medium sized transport schemes including road improvements, railway station enhancements and improved facilities for public transport, cycling and walking. Awards for funding ranged from £600,000 upwards, with the average award totalling £8 million.

4.3 Funding will be awarded for a fixed amount and will be for a time limited period. CIF2 funding will be available during the period April 2009 - March 2011. Successful bidders will be expected to show how they plan to manage risks and mitigate against any scheme delays or increase in costs. Scheme promoters will be at risk for any increase in scheme costs. All costs to schemes incurred after March 2011 will need to be met by funds other than CIF2.

4.4 Indicative timetable for the fund is as follows:

- Mar 2008:** Launch of CIF2 bidding guidance
- 21 Apr 2008:** Deadline for receipt of Expressions of Interest for Growth Areas and Growth Points
- 16 May 2008:** Deadline for receipt of prioritisation of schemes by Regional Development Agencies
- July 2008:** Announcement of selected schemes to be taken forward to full business case
- Oct 2008:** Deadline for submission of full business cases
- Feb 2009:** Announcement of successful schemes

Waterside Schemes – See appendix 1 ‘scheme locator’

- 4.5 A Waterside Supplementary Planning Document (SPD) was reported to Cabinet on 23rd April 2007, when it was adopted as a supporting document to the City of Leicester Local Plan 2006. Leicester’s Waterside Development is probably the biggest untapped waterfront regeneration area in the country. One of the main objectives of the Waterside Development is to address the City’s underperformance in retaining and attracting a highly skilled and creative workforce, by developing a premier work, living (3,500 homes) and recreational area. The Waterside Development is a key opportunity to address this social and economic issue.
- 4.6 Traffic Impact Assessment for Waterside has been completed to investigate and establish the highway and transportation works that will be necessary in order to achieve the objectives for Waterside and the results are available for informing the planning, programming and prioritisation of highway infrastructure. Many of the junctions with and around Waterside currently operate close to capacity and improvements are necessary in order to mitigate the effects of development. Most of the Waterside site is currently impenetrable for the purposes of housing/mix use development.
- 4.7 This southern part of Waterside has emerged as the focus for first phase of private sector interest. The value of these schemes, all still awaiting delivery, is estimated to be in region of £300million, and comprise approximately 1,300 new homes and the city centres first 4 star hotels. The development of the Waterside is one of the key components of the city's new homes required in Leicester City by the Local Area Agreement target NI 154.
- 4.8 However, the granting of planning permission alone will not ensure the delivery of these projects. The risks associated with early schemes in new regeneration areas are high. In order to achieve the necessary levels of confidence for investors, there are certain essential pre-requisites to the Waterside projects coming forward:
- Demonstration that the City Council, LRC and other funding partners are committed to the sustained and comprehensive regeneration of the area
 - The physical environment must be appropriate and comparable to the quality and nature of the schemes being proposed.
 - There must also be certainty about the delivery of key infrastructure (public open space, roads, pedestrian links and community facilities). In discussions with the major funding institutions and valuers, this is cited as the single most important factor influencing their investment decisions. In the absence of firm commitment to delivery, within an identified time frame, funders and valuers will be unable to factor such value uplifts into their financial appraisals.
- 4.9 In order to achieve these pre-requisites, Members will be aware that a number of projects and initiatives have been progressed and supported:
- £2.9 million funding (Growth Point and LCC capital) has been committed to a high quality public realm and infrastructure in the area of Bath Lane and Holy Bones/Welles Street (South Waterside).

- With EMDA funding we will soon commission funding and delivery opportunities for the improvement of Rally Park, the main public open space to serve local residents and South Waterside.
- Part of the land required for the delivery of the proposed link road has been reserved or secured through the recent planning permissions on the Merlin site and Blackfriars. These permissions also allow for the part delivery of the riverside promenade and the Blackfriars open space.

4.10 There are 3 Waterside applications to the CIF2:

- a) Waterside Link Road & River Bridge
- b) Waterside Sanvey Gate Junction Improvement
- c) Waterside Canal Bridge

a) Waterside Link Road & River Bridge

4.11 Atkins Ltd completed a thorough and robust feasibility study of this project in February 2008 and it concludes that the project is feasible (see appendix 2 - for aerial view of scheme). As well as resolving current access problems to most of the 1,300 homes with planning approval a completed scheme would also provide high quality and attractive arrival experience and statement to Waterside raising the profile for the river and Waterside regeneration in general.

4.12 There is a full risk register to help the schemes successful completion to time & cost and also within the study there is a robust project programme with key milestones. The project is forecast to finish about March 2011 with a 65-week construction period. The main stages and guideline dates are as follows and assumed a scheme start date of April:

4.13 Current estimate for total cost of the scheme is £13.85m and provisional headline milestones are as follows:

April 2008 - Ground Investigation, Public Consultations, Planning Applications,
March 2009: preliminary design etc.

April 2009 - Construction tender, alterations/diversions to utility company
March 2010: apparatus, start construction.

April 2010 - Complete construction works
March 2011:

b) Sanvey Gate Junction Improvements

4.14 The Sanvey Gate junction is the central hub of the road network within the Waterside regeneration area. It is also part of the City's strategic road network (A50). The junction is currently operating over capacity. The works proposed are necessary in planning/highway engineering terms to provide sufficient capacity on the road network to allow the full quantum of housing development to go ahead.

- 4.15 A signalised roundabout junction is proposed at the A50/Sanvey Gate Junction. This improves junction efficiency and maintains vehicular accessibility, however capital costs are significantly higher, pedestrian accessibility is compromised and land otherwise available for residential development is required for highway.
- 4.16 This design is less final than the other two Waterside schemes there is currently two other well worked out solutions also being considered. It is thought that amending the type of improvement at the business case stage would not be detrimental to the application in itself as long as it could still demonstrate a sound economic & deliverability argument. It is however assumed that it would be prove favourable to be in a position to be able to demonstrate commitment to a scheme at the business case phase.
- 4.17 The estimated total cost of the scheme is £3.1m and provisional headline milestone are as follows:

Mar 2008 - Aug 2008 Detailed Ground Investigations:

Jun 2008 - Mar 2009: Planning Application/Permission/TRO's & Consultation

Apr 2009 - Jul 2009: Detailed design

Mar 2010 - Dec 2010: Construction

c) Canal Bridge

- 4.18 The creation of a bridge link over the Grand Union Canal will enable the development parcels to the north and south of the Grand Union canal to be brought forward, which will improve the townscape of the existing sites. The scheme will reduce overall congestion in the Waterside area.
- 4.19 Risks associated with construction are likely to be very low. From initial investigations the provision of a bridge at this point linking up with existing and favorable infrastructure appears straightforward.
- 4.20 The scheme would benefit greatly from a feasibility study similar to that provided by Atkins for the waterside bridge & link road. This would provide some of the evidence required for the business case stage such as risk management, deliverability and firm cost estimates.
- 4.21 The total cost of the scheme is estimated at £5.6m and provisional headline milestone are as follows:

Sep 2008 - Feb 2009: Detailed Ground Investigations:

Dec 2008 - Sept 2009: Planning Application/Permission & Consultation

Oct 2009 - Jan 2010: Detailed design

Mar 2010 - Aug 2010: Construction

Bus Related Schemes:

d) Leicester City Centre Bus Stopping

4.22 There are 44,500 dwellings to be built in the Leicester Principal Urban Area (PUA) to 2026. A 15,000 dwelling Eco Town has in addition been shortlisted. The strategy (Local Transport Plan) to accommodate growth in the early years is based on enhancing the bus service to accommodate many of the additional trips and to mitigate the impact of the essential new car trips by making the bus service more attractive to existing residents. We need to accelerate the increase in the efficiency of the transport network (as per local plan) to ensure that the buses do not get delayed in congestion. There will be many more buses coming into the city centre and there are currently no space on street places for additional stopping points. The purpose of this scheme is to accelerate the roll out of new stopping points.

4.23 The total cost of the scheme is estimated at £0.9m and projected target headline milestones are as follows:

Sept 2009 - Mar 2010: City Centre East

Apr 2010 - Dec 2010: City Centre West

e) Leicester SCOOT with bus prioritisation

4.24 There are 44,500 dwellings to be built in the Leicester PUA to 2026. A 15,000 dwelling Eco Town has in addition been shortlisted. We need to increase the efficiency of the transport network to ensure that the effect of this concentration does not worsen existing congestion to an unacceptable degree on an ongoing basis. We need to start implementation now as the impact of the development will commence during the construction phase due to new trips by construction professional, skilled and manual workers and also by the movement of the significant quantities of construction materials. The strategy is also based on enhancements to the bus service to accommodate many of the additional trips and to mitigate the impact of the essential new car trips by making the bus service more attractive to existing residents. We need to increase the bus efficiency to ensure that the buses do not get delayed in congestion by the additional roll out of selective vehicle detection for buses as well as by general congestion reductions for all traffic. This measure will effectively lead to the acceleration of the CL LTP as it is currently constrained by limited funding.

4.25 The total cost of the scheme is estimated at £0.5m and projected target headline milestones are as follows:

Feb 2009 - Dec 2009: Abbey Lane/Belgrave/Birstall and Humberstone Road corridors

Jan 2010 - Sep 2010: Corridors from Ashton Green and city centre area

Aug 2010 - Feb 2011: Aylestone Road & Narborough Road & Hinckley Road corridors

Next steps

- 4.26 Until these schemes are declared unsuccessful they are in effect tied into the CIF2 process and a specific delivery schedule. In order to keep the applications favourable and on track with this process and also to provide the necessary reassurance to investors and developers who have permissions on nearby projects we need to be able to demonstrate their continued deliverability.
- 4.27 So that we assign responsibility, develop a work plan and manage risks the Council shall project manage each scheme through the application process. The headline tasks are:
1. Assess the information requirements of the business case phase and ensure we have the right information at the right time.
 2. Continue to identify possible sources of match funding and work to progress the status of all match funding to a 'secured' status in time for the business case phase.
 3. Ensure all scheme activities and outputs (preliminary designs, commissioning feasibility studies, negotiations with 3rd party land owners etc) see progress or are completed in order to keep schemes within application CIF2 timescales.
 4. Manage the budgets of all 'at risk spending' throughout the process.
 5. Consider alternative delivery scenarios should a scheme be unsuccessful in its application to CIF2.
- 4.28 Further reports will be presented to Cabinet should schemes be successful and be brought forward.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

FUNDING SUMMARY

 =CONFIRMED

£'000		Remaining Prudential borrowing	LTP	Developer contribution	NGP 08/09	NGP 09/10	CIF2	Un-identified	TOTAL SCHEME COST
1	Waterside link road and river bridge	800			650	1,000	9,100	2,200	13,750
2	Waterside Sanvey Gate Junction Improvement		400	250		250	1,850	350	3,100
3	Waterside Canal Bridge						5,000	600	5,600
4	Leicester City Centre Bus Stopping		200				700		900
5	Leicester SCOOT with Bus prioritising		200				300		500
	TOTAL	800	800	250	650	1,250	16,950	3,150	23,850

- 5.1.1 As yet unidentified funding for these schemes totals £3.15m. A bid of £2.2m has been included in the bidding process for the remaining funds available in the 4 year capital programme the total of which is £7m. The remaining capital programme is likely to be finalised in June. The other funding sources are indicative only apart from the New growth point funding in 08/09 of £650k for the Waterside link road and bridge which has been confirmed by the 6Cs partnership. The remaining prudential borrowing relates to an existing approved funding for public realm improvements. Other funding sources are being investigated through EMDA, English Partnerships and section 106 agreements.
- 5.1.2 The total costs of each scheme are only estimates at the point of application to CIF2. The robustness of the cost estimates and allowance for contingencies, particularly on the Waterside link road and River bridge will need to be evaluated as part of the business case.
- 5.1.3 Funding will be available during the period 1 April 2008 - 31 March 2011 only. CIF is a capital grant allocation - no revenue funding is available through CIF. CIF funded expenditure on the schemes must be complete by 31 March 2011 and there will be no opportunity to carry forward unused grant into future years or vire unused funds from one scheme to another.

Martin Judson, Head of Resources R&C. Ext 297390

5.2 Legal Implications

- 5.2.1 There are no direct legal implications in relation to this report. It is perhaps pertinent to point out that the Community Infrastructure Fund should not be confused with the Government's proposals for the Community Infrastructure Levy. This levy, when implemented, will establish, according to the Government, a better way to increase investment in infrastructure communities require. The levy features in the current Planning Bill. Details are somewhat sparse at the moment. The Bill allows for the Government to make regulations to empower local authorities to apply the levy on new developments to support infrastructure delivery.
- 5.2.2 Depending on how the Council's applications in the report fare, it may be necessary for officers to give consideration to it with regard to future planning applications in the Waterside area and whether (assuming the Community Infrastructure Levy is brought into force) funding will be needed from that source, subject to any necessary legal agreement in relation to the projects identified in the report.

Anthony Cross, Legal Services, Solicitor Resources Ext 297046

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph References within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Cabinet Report, Waterside SPD Adoption. April 23 2007
Central Leicestershire Local Transport Plan 2006 to 2011
Urban Congestion Target Delivery Plan, April 2007

8. CONSULTATIONS

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

