

CITY OF PLYMOUTH

Subject: Plymouth Local Investment Plan
Committee: Cabinet
Date: 13 April 2010
Cabinet Member: Councillor Fry
CMT Member: Director for Development and Regeneration
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Executive Summary:

This report proposes a Plymouth Local Investment Plan. The city has an ambitious agenda for change which includes the building of 30,000 new homes, the creation of 42,000 new jobs, the regeneration of our waterfront communities and the provision of a range of infrastructure, between now and 2026. The creation of communities that are sustainable is a key principle behind the plans and the city's programme also includes some major new greenspace provision and an aspiration to reduce its carbon emissions.

The Investment Plan demonstrates how that agenda can be funded using local, regional and national sources of finance, and how added value can be achieved by agencies working together for a common goal. It is the first time future investment in the city has been coordinated in this way and Plymouth will be one of the first authorities to adopt the approach. It is a further clear sign that the city has moved from the strategy to the delivery phase.

The Plymouth Local Investment Plan is the product of the Single Conversation process. The Single Conversation is the Homes and Community Agency's (HCA) business planning process which enables the HCA to better align its funding programmes with the city's priorities. In Plymouth the Single Conversation started during 2009 and involved the HCA, the South West Regional Development Agency (the RDA) and Plymouth City Development Company.

The first Plymouth Local Investment Plan covers the financial year 2010/2011, and subsequent three year periods. It identifies the main funding sources which will support the delivery of city priorities, particularly in relation to housing, regeneration and the economy. However it is important to acknowledge that most of the funding identified in this Plan, for 2010/2011, has already been committed as we are at the end of a Government funding cycle (CSR 2008-2011). Funding sources identified, in addition to those of the HCA and the RDA, include New Growth Points funding, the Plymouth Development Tariff and PCC funding. Beyond 2011 the Plan gives a clear indication of planned investment but the degree of certainty reduces with each three year period. For 2011-2014 there is a strongly supported level of investment, for 2014-2017 it is indicative and for 2017 and beyond, it is aspirational. However, as this is a new process, and Plymouth is one of the first areas to adopt this approach, further work will be undertaken

during 2010/2011 to develop the Investment Plan concept. Consequently this first Plan should be seen as an evolving document with a degree of in built flexibility: the investment priorities may therefore be subject to change.

The priorities identified in this Plan are derived largely from the interventions proposed in the Local Development Framework and other key strategies such as the Housing Strategy, the Local Economic Strategy and the Local Transport Plan. The priorities are those actions that need to be undertaken, and can be delivered, in the short term to achieve the long term Vision. They cover:

- The City Centre
- The Eastern Corridor
- The Waterfront
- The Northern Corridor
- Economy and Enterprise
- Sustainable Neighbourhoods
- The Naval Base

Once the Investment Plan is endorsed, a non-binding Agreement will be signed by the partners to give clarity on their respective roles and responsibilities .

What is more important than the Plan, at this stage however, is the process that is being established to enable future Investment Plans to truly influence the spending patterns of key Government agencies, thus enhancing the ability of the city to fund its improvement agenda, and sending positive signs to enhance the private sector's confidence in the city.

A review of the current Investment Plan during the first six months of the 2010/2011 financial year will enable Plymouth Local Investment Plan 2 to firm up on the longer-term view and be based upon greater financial certainty following the next Comprehensive Spending Review and the review of the city's Local Area Agreement. It will also be broadened in its scope, to include other infrastructure, health, schools, police, skills and further and higher education. The intention is that Investment Plan 2 will identify all sources of funding that can contribute to the entire city development agenda.

Cabinet is being asked to confirm that this represents a sensible and effective approach to investment planning, to endorse the first Investment Plan to delegate to the Chief Executive, authority to sign a Local Investment Agreement, and to endorse the process for developing the second Investment Plan. The key point is that we have something as a starting point for 2010-2014 but that this will be subject to change.

Corporate Plan 2010-13:

The Investment Plan supports large elements of the current and draft Corporate Plans, particularly Corporate Improvement Priority (CIP) 4 (Reducing inequalities between communities), CIP 5 (Providing better and more affordable housing), CIP 6 (Providing more and better culture and leisure activities), CIP 11 (Improving access across the city), and CIP 12 (Delivering Sustainable Growth), which specifically refers to the Investment Plan. It identifies how key agencies and funding regimes can be aligned to support delivery of sustainable growth across the city.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The Investment Plan does not commit the Council to additional expenditure: it demonstrates how the existing capital programme and future capital resources could be used to meet the long-term development objectives. It also demonstrates how the Council's capital programme can be used in partnership with the investment of other agencies to secure added value. It therefore has the potential to realise significant financial and other benefits.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

The Investment Plan helps to mitigate against Risk 51 in the City Council's Strategic Risk register by ensuring that sufficient funding is in place to deliver the necessary infrastructure for the city's growth. Equalities Impact Assessments have been undertaken as appropriate during the preparation of the Local Development Framework.

Recommendations & Reasons for recommended action:

It is recommended that the Cabinet:

1. confirms that the Investment Plan approach is a sensible and effective way of marshalling resources to deliver the city's long term development needs,
2. approves the first Plymouth Local Investment Plan and the investment priorities it contains (see Annex 1);
3. gives in principle approval to move forward with the preparation of a Local Investment Agreement, with delegated authority for the Chief Executive in consultation with the Portfolio Holder for Planning, Strategic Housing and Economic Development, to sign an agreement once the content has been agreed; and
4. approves the approach to the preparation of Plymouth Local Investment Plan 2, as set out in this report

Reason: Whilst the Investment Plan is largely operational in its content, it does nevertheless reinforce the longer term delivery of the City Vision. The commitment of resources in this Plan, and establishing that this is an effective process to pursue, requires Cabinet approval.

Alternative options considered and reasons for recommended action:

Not preparing an Investment Plan: This may lead to the city missing out on significant funding from Agencies such as the Homes and Communities Agency, and, on the opportunity to achieve added value by working in partnership with other key funding agencies.

Background papers:

Plymouth Local Investment Plan 2010-2011

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert initials of Finance and Legal reps, and of Heads of HR, IT and Strat. Proc.):

Fin	<i>DevF910 0090</i>	Leg	JAR/10/ 140	HR	N/ A	Corp Prop	N/ A	IT	N/ A	Strat Proc	N/A
Originating SMT Member Paul Barnard, Assistant Director of Development (Planning Services)											

1. BACKGROUND

1.1. This is Plymouth's first Local Investment Plan. It is groundbreaking and therefore represents a challenge to those agencies who invest in the city. It is a new way of working - seeking to align the resources of those agencies behind the city's agreed priorities. It is as much a discipline as it is a document. The process will therefore be refined over time as the long term relationships that are critical to success, develop and mature.

2. THE SINGLE CONVERSATION

2.1. The Single Conversation was initiated by the Homes and Communities Agency (HCA) to assist with their business planning. The HCA have a plethora of funding regimes and are major investors in communities across the UK. The Single Conversation within each area was designed to replace the multiple conversations which previously took place around each of their different funding streams.

2.2. In Plymouth, the Single Conversation began early in 2009 and built on a process which had already been established with the South West Regional Development Agency (SWRDA). This resulted in the draft Area Investment Framework covering SWRDA's investment in Plymouth. The idea of an integrated Investment Plan for the city emerged during the Single Conversation process involving the City Council, SWRDA, the HCA and latterly the Plymouth City Development Company.

3. IDENTIFYING THE INVESTMENT PRIORITIES

3.1. The long term development needs of the city are encapsulated within the Local Development Framework and other key strategies. However whilst the LDF gives a clear spatial picture of how the city will develop over the long term, it is not a programming document and does not identify in detail what needs to be done in the short term to achieve those long term objectives. Neither does it seek to identify the order in which proposals will be developed. Programming is largely a technical exercise and is influenced by, for example, funding availability, the state of the market, the need to put in place enabling infrastructure, and whether a project is on the critical path for a wider objective.

3.2. This Plan seeks to demonstrate the link between the priority projects and the long term Vision, and how they help to achieve the desired outcomes for the city. It also establishes a robust process that can be used as the basis for evaluating alternative priority choices beyond the 2010-2011 period.

3.3. The Plan seeks to achieve a balance between the key overarching sustainable development objectives of:

- Economic progress

- Social improvement
- Environmental sustainability
- Reduced use of resources such as energy and water

3.4. Future plans may need to make choices between these objectives, especially given the likely significant reduction in public sector investment in future years

4. PLYMOUTH FIRST LOCAL INVESTMENT PLAN

4.1. The Investment Plan process seeks to secure adequate funding to deliver sustainable communities in their widest sense. However, this first Investment Plan concentrates on investment in housing, transport, economy and regeneration. Future iterations of the Plan will encompass other investment requirements – health, schools, police, higher education etc (although the plans of each of these sectors have been taken into account in preparing this first one).

4.2. The Plan draws on the city's agreed policies and strategies which establish the long term vision for the city. The priorities in this plan are based on those things that are required in the short term to support achievement of the vision. Those projects not identified for investment in this plan have not been removed from the overall programme: they will appear later.

4.3. Given that most of the priorities identified in this Investment Plan have been derived from the LDF and other adopted strategies, they have already undergone a process of community involvement. Further stakeholder engagement has been undertaken during the course of preparation of the Plan. The HCA and SWRDA are signed up to the broad levels of investment identified in the Plan. The PCDC are also signed up as one of the key delivery agencies in the city. During this first Investment Plan the emphasis has been on avoiding drawn out processes whilst ensuring the key delivery partners are involved as necessary. Engagement during the refinement of Investment Plan 2 during 2010-2011 will be much more wide ranging given its much wider scope.

4.4. The Plan identifies firm investment commitments for 2010/2011 and clear indications of investment requirements beyond 2011. This enables us to establish and refine the process with a view to ensuring that Investment Plan 2 can have a higher degree of certainty. This will also allow us to bring the Plan into the same timescales as other key documents such as the Comprehensive Spending Review, the Local Transport Plan and the LAA. The Plan will be used not only as a delivery plan for the city's priority projects, but also a bidding document to other agencies and funding sources.

4.5. There are 8 sections to the Plan:

- Introduction
- Plymouth's Vision and rationale for investment
- The City's Priorities
- The Investment
- Delivery and Governance
- Monitoring and Review
- Towards Investment Plan 2
- Evidence and References

5. PLYMOUTH LOCAL INVESTMENT AGREEMENT

5.1. The Local Investment Agreement is a non legally binding Memorandum of Understanding. It will give certainty and clarity to the partners on their respective roles and responsibilities in delivering the agreed investment priorities for an area, without giving formal commitments, by capturing the specific HCA and local authority actions and investments needed to deliver the Local Investment Plan priorities.

6. PLYMOUTH LOCAL INVESTMENT PLAN 2

6.1. The first Investment Plan is being produced during a period of extreme uncertainty, particularly in relation to public sector finances. The situation should become clearer during mid to late 2010, giving us the opportunity to refine the first Investment Plan and develop a more robust second Investment Plan to coincide with the next Local Area Agreement and other key strategies and plans of our partners.

6.2. To get maximum benefit from the process the Plan should also seek to encompass the spending plans of other city agencies such as Health, the Police, Schools, Higher Education establishments etc. This will enable us to demonstrate how all these organisations are contributing to the delivery of Plymouth's Vision. It will also enable opportunities for added value to be realised, by working together to deliver solutions that meet multi objectives.

6.3. It is intended that the process will therefore be inclusive to enable effective stakeholder engagement and community involvement. The following indicative timetable would be followed:

- May/June 2010 – begin collecting data and initial stakeholder engagement
- July - September 2010 – prepare draft of second Investment Plan and undertake community involvement
- October/November 2010 – seek approvals from relevant agencies, including PCC
- December 2010 – Adopt and publish Investment Plan 2 to give the opportunity to influence the spending plans of partners