

PLACE SHAPING POLICY DEVELOPMENT PANEL

Minutes of a meeting of the Place Shaping Policy Development Panel of Broadland District Council, held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on Monday 13 June 2022 at 6pm.

Committee Members Present: Councillors: J M Ward (Chairman), N Brennan, E Laming, R Potter

Officers in Attendance: The Director of Place and the Democratic Services Officer (DM)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Harrison, Cllr Lawn, Cllr D Thomas and Cllr J Thomas.

2 MINUTES

The minutes of the meeting held on 24 January 2022 were agreed as a correct record and signed by the Chairman.

3 CITY DEAL BORROWING AND THE ESTABLISHMENT OF THE GREATER NORWICH STRATEGIC INVESTMENT FUND

The Director of Planning introduced the report which provided the background to the City Deal borrowing and gave details of the governance, legal and administrative arrangements that would be required to support the proposed new fund.

The Director of Planning gave a high level overview of the purpose of the proposals which were essentially to create a borrowing facility so that the Greater Norwich Growth Board (GNGB) partners had the opportunity to drawdown funding to enable them to provide financial support to infrastructure projects within their jurisdiction. Repayments for the funding provided would then be taken from the pooled CIL funds (Infrastructure Investment Fund (IIF)) to which all partners contributed and so repayments to the Treasury would be from the shared "pot". The proposals needed support of all partners of the GNGB and also needed an accountable body which would be Norfolk County Council. Ultimately, when a developer/landowner repaid the funding provided to them via this facility, their repayments would be made to the newly established Strategic Investment Fund (SIF), thereby creating a recyclable pot of funding for future projects.

With regard to risks, at the stage of securing the borrowing facility there was no risk. The need to consider risk would occur at the point of drawdown from the Treasury via Norfolk County Council and would be for the particular partner authority to evaluate when considering whether or not to support a particular project. Any Broadland supported project would be subject to the normal Council decision making process.

A member raised a question as to what sort of projects would be able to access support from the newly created SIF which would not have been eligible for CIL money. The Director of Planning explained that the existing pooled CIL fund was bound by CIL regulations to be used for statutory infrastructure which was of a communal nature, i.e. projects that did not benefit a single landowner or developer. The new proposals would allow for support to be given to projects not meeting this criteria but which still had a wider benefit. An example was the potential project to provide a link road from the A47 to the Food Enterprise Park which, was considered to be important infrastructure but could not utilise CIL funds as it was seen to be benefitting one landowner/developer.

The member raised concerns that the new fund would be used for roads to open up development sites. The Director of Planning commented that the pooled CIL had been used for road projects but also for other projects including green infrastructure and community facilities. The member also asked if the £39m in the LIF was less than expected. The Director of Planning explained that £39m had gone into the fund to date, the majority of which had been allocated. The fund was likely to hold circa £22m by the end of the next financial year which would be the highest amount to date. It had been envisaged at the outset that CIL would generate a higher level of income than it had. In practice CIL had also been used as a tool to support government policy and achieve other ambitions such as neighbourhood plans and self-build projects which had an impact on the level of CIL funds.

The member asked whether the projected £74m forecast to be received in the IIF by March 2026 was realistic mindful of issues such as rising construction costs and nutrient neutrality. The Director of Planning stated that it was difficult to predict the likely fund value but the housing market was still buoyant, there were no signs of a downturn in the building industry and, with a degree of continued home working, there were still people moving to the area. The member raised concerns about the risks of a landowner/developer not being able to repay the loan and liability falling to the districts. The Director of Planning commented that any project coming forward would firstly have to be considered by the relevant partner council to examine the risk and would then be subject to approval by the GNGB. Provision would also be made in the legal agreement for the loan for safeguards such as the option to secure land in the event of a default on the agreement. The member also asked if, in the longer term, it was envisaged that the funds in the IIF would reduce as the SIF grew. The Director of Planning commented that CIL funds would continue to be added to the IIF as well as repayments made from it to the Treasury, effectively there would be a switch out of the IIF to the SIF.

In response to a question as to whether the funds were equally apportioned between partners, the Director of Planning confirmed that there was no apportionment of the fund, and that each partner authority could apply for any level of funding from the fund depending on the project. Any call on the funds

would need the approval of all partners of the GNGB. With regard to a question about potential overspend, the Director of Place commented that, depending on the project and who was delivering it, there was likely to be contingencies built in as was normal practice to deal with any overspend or unforeseen expenses.

It was then, with three members voting for, one abstention,

RESOLVED to RECOMMENDED

That Cabinet agrees and recommends that Council

1. Gives authority to Norfolk County Council, as the Greater Norwich Growth Board's Accountable Body, to drawdown up to £20m from the Public Work Loans Board to create a recyclable fund to support local infrastructure projects as agreed in the Greater Norwich City Deal, subject to the following conditions:
 - The loan is used to create a fund, which will accelerate the delivery of infrastructure projects within the parameters defined within Community Infrastructure Levy legislation.
 - Repayment to be made from the Infrastructure Investment Fund pooled CIL.
 - The fund will be available to any of the Greater Norwich partners acting as lead authority and secured in a borrowing agreement with Norfolk County Council, which will include an agreed repayment schedule and back stop date.
 - Repayments from the lead authority would be made into a new recyclable Strategic Investment Fund.
 - Due diligence and legal arrangements regarding the beneficiary project will be the responsibility of the lead authority.
2. Agrees the draft legal agreement that will commit future pooled Community Infrastructure Levy income as repayment against the drawdown of up to £20m through the Greater Norwich City Deal (amounts will be drawn in stages see Appendix E and F)
3. Subject to recommendation 2, upon each staged draw down totalling no more than £20m, the GNGB to be granted delegated authority to sign the legal agreement together with their s151 officers, under the direction of Norfolk County Council as the Accountable Body and in accordance with their signed Joint Working Agreement
4. Agrees that the GNGB be given delegated authority to manage the allocation of the City Deal borrowing and later, governance of the Strategic Investment Fund in line with the draft Terms of Reference - Appendix A and B.

(The meeting concluded at 6.25pm)