

Cabinet

11 June 2020

Warwickshire Place Shaping Programme

Recommendations

That Cabinet:

- 1) Approves the objectives for the Warwickshire Place Shaping Programme, as set out as set out in paragraph 3.1 of this report.
- 2) Agrees to investigate the establishment of a Warwickshire Recovery and Investment Fund (WRIF) to support the County's post-Covid19 economic recovery and long-term place development.
- 3) Authorises the Strategic Director for Resources to establish effective governance arrangements for the Place Shaping Programme, including close collaborative working with key partners, and a robust framework for effective programme delivery.

1. Key Issues and Background

- 1.1. The phrase 'Place Shaping' describes local government's core strategic role to use its powers and influence to promote the general well-being of a community and its citizens, including creating an environment for business to flourish, by improving infrastructure, services, connectivity and sustainability to deliver a better quality of life. Ultimately the success of business is what will drive recovery of the Warwickshire and national economy.
- 1.2. This report brings together proposals to progress a number of key objectives from the Council Plan 2025 that significantly impact Warwickshire as a place. The Council Plan's quality and strength is borne out by the volume of objectives that remain as essential post Covid19, as they did pre Covid19. Place-shaping needs continuing at greater pace and proposes furthering collaborative work between the Council and key partners - public, private and voluntary sectors - to progress major projects by creating a Place Shaping Programme nestling within the Council's change programme.

- 1.3. Collaboration on place shaping will need to combine local place shaping activity by district and borough councils, and the strategic, county-wide focus of Warwickshire County Council, all within the context of regional economic priorities of the West Midlands Combined Authority and Coventry & Warwickshire Local Enterprise Partnership and the One Public Estate Connecting Warwickshire partners programme. Place will need to look from a perspective of various groupings for example, from a health and care system perspective consideration of Warwickshire North, Rugby and South Warwickshire as 'places' where we are undertaking place based planning to deliver our health and well-being priorities and requirements to move to Place Integrated Care Partnerships. There are also Primary Care Networks within this structure.
- 1.4. Work to shape this programme had commenced prior to the Covid-19 pandemic; this work has been accelerated in recognition of its central role in Warwickshire's recovery. As well as driving delivery of key elements of the Council Plan, the Place Shaping Programme will support other core Council strategies:
- the action plan to address the Climate Change emergency;
 - progression of a number of the Council's supporting strategies, including: the Economic Growth Strategy 2020-25; the Coventry and Warwickshire Health and Well-Being Strategy; the Property Strategy; the Heritage and Culture Strategy; the Voluntary and Community Sector Strategy; the Capital Strategy; the Commercial Strategy; and the Medium-Term Financial Strategy; and
 - delivery of major regeneration schemes such as Transforming Nuneaton and One Public Estate projects.
- 1.5. A decision by Cabinet today, will allow the development of the overarching Place Shaping Programme within which such core strategies sit. Each of the component strategies will drive forward at the pace already set for each, with some being of acute priority in the light of Covid. The Place Shaping Programme will afford the Council the ability to have both a strategic oversight and delivery focus, of how each element contributes to post-Covid recovery as well as their individual objectives and outcomes. Key progress milestones will be reported regularly to Cabinet, along with any decisions necessary to assess costs, benefits and potential funding options.

2. Strategic drivers for place shaping

- 2.1. The main strategic drivers for place shaping are set out below.
- 2.2 **Economic recovery:** the Council is aiming to deliver robust and sustainable economic recovery to support future growth, to improve its ability to retain the working-age population and attract more skilled working age people to the area along with commercial activity and investment by the private sector. Place shaping investment can clearly support economic growth by creating new employment space and by increasing spend in the local supply chain as well as investing in and lending to business where appropriate to do using a range of ways to do this.
- 2.3 **Rural growth and town centres:** our work on place shaping needs to support rural economic growth and prosperity, as well as shaping the town centres and high streets of the future, particularly in light of the significant impact of Covid-19 on both economies.
- 2.4 **Sustainability:** the Council has declared a climate emergency, and so economic recovery and future growth plans need to support a sustainable recovery, address climate change and build on the lessons from the Covid-19 pandemic about how we live, work and travel.
- 2.5 **Sustainable transport:** transportation and connectivity are a key focus. Supporting a sustainable travel and an integrated travel network will include; cycling, walking, electric vehicles, highways and public transportation.
- 2.6 **Housing:** The County needs a sufficient housing supply to attract and retain younger working age people through the provision of affordable and intermediate housing options. By supporting the delivery of or enabling or developing such residential property, the Council can assist partners to address shortages in specific areas which might not otherwise be met by commercial developers.
- 2.7 **Area Regeneration:** Warwickshire shows significant variation in average earnings and levels of deprivation. The 'Place Shaping' approach will support area regeneration and economic improvement which will help address deprivation and economic inequality by identifying and prioritising areas to regenerate on a physical and economic basis. This will support the objective of driving specific regeneration plans in each District and Borough patch.
- 2.8 **Commercial and investment:** The proposed Warwickshire Property Company is intended to support broad corporate and community objectives relating to economic growth; employment; housing provision; area

regeneration and income generation. The Covid pandemic has accelerated the exploration of an investment fund for the County, leveraging Council, private sector and other partner funding including utilising One Public Estate (OPE) to support a programme of investment in the County. These proposals are set out further in section 4.

- 2.9 **Digital and 5G:** there is a significant opportunity to build on the County's existing strengths in digital and gaming through development of the 5G network, broadband and connectivity, as well as increasingly using digital to support Council services to business and communities.
- 2.10 **Health and well-being:** this is a key feature of all of the strategic drivers of place shaping; ultimately, place-shaping needs to improve quality of life, tackle poverty and improve health and well-being outcomes. Place shaping should improve health and wellbeing outcomes and ultimately the poverty agenda. Place shaping needs to improve population health and well-being, especially post-Covid, working within the existing place-based planning across the health and care system.

3. Proposed programme scope and objectives

- 3.1 The Place Shaping Programme will focus on progressing a number of high impact projects to support delivery of the Council Plan. The outline objectives of the Programme are to:

- translate the place shaping ambition of The Council Plan into a programme of priority projects with robust business cases, delivery plans and resourcing;
- deliver these major place shaping projects, which have a significant, long-term impact on the County or individual communities, to time, budget, quality and outcomes;
- attract significant inward and other investment to Warwickshire to support place shaping objectives; and
- align all place shaping activity within the Council and across the County.

- 3.2 The themes of place shaping activity are set out in the Appendix, which shows how each theme contributes to the Council Plan and indicative initial priorities for the place shaping programme. Specific projects being scoped include:

- Establishing a Warwickshire Property Company to focus on developing Council land and property and potentially other public sector land;
- Rationalising Council property to drive economic recovery and support place-shaping ambitions;

- Collaborating with the District and Borough Councils to ensure there are significant County wide regeneration schemes supported by the County Council;
- Exploring the use of digital technologies and applications to support businesses, and connect volunteers and those needing support;
- Creating a Warwickshire Investment Fund to support recovery efforts and longer-term 'place' ambitions in the County; and
- Attracting major employers to Warwickshire, along with supporting existing businesses to grow.

3.3 Our approach to place will wrap around and dovetail with a number of Council approved and developing strategies such as Economic Growth, Skills, Heritage and culture, the Local Transport Plan, Rural growth, Digital and Data (including 5G), Climate change, Health and Wellbeing. Place shaping will also impact and deliver benefits against some of the United Nations Sustainable Development such as good health and wellbeing, decent work and economic growth and industry, innovation and infrastructure goals referenced in the Council Plan 2025.

4. Investigating a Warwickshire Investment Fund

4.1 It is proposed that the Council investigates the creation of a Warwickshire County Investment Fund (WCIF) to attract public and private investment into the County, including investment funding.

4.2 The model could allow the Council to reinvest any investment income it receives on a recurring basis to support place shaping priorities. The Council's balance sheet and reserves review will ensure any investment plans fit within the medium-term financial strategy (MTFS) ensuring affordability and appropriate risk mitigation and stress testing. This will of course need to be considered against other priorities given the expected impact of COVID-19 on the MTFS. Such a fund could comprise funding from some or all of the following sources:

- Warwickshire County Council;
- District and Borough Councils;
- Government, Non-Departmental and other Public Bodies;
- Private Sector Investment through banks and institutions;
- Other public sector funding sources such as PWLB and the Municipal Bonds Agency and pension funds; and
- Other private sector investors.

4.3 The Council should develop an investment approach to fund aspects of schemes in various ways. For example, in line with its Commercial Strategy, the Council could consider lending money and/or taking equity-based

positions in developments, housing, and infrastructure projects. There are also hybrid equity loan based products that could be used and the Council could use crystallisation events to return its investment at a pre-determined date. Risk mitigations techniques such as charges and guarantees will also be considered. The Council will need to ensure it has appropriate legal powers as well as the right skills and experience to deliver such a programme should it decide to directly provide or contract such a service.

- 4.4 Following a recent consultation the Government may narrow the definition of capital projects which qualify for Public Works Loan Board (PWLB) loans. This may lead to local authorities looking at alternative sources of funding, in particular those offered by the capital markets. For Warwickshire, this could facilitate reduced reliance on the Treasury and Central Government for funding and an opportunity to take greater control over our own finances by using alternative borrowing sources. This will be subject to market conditions and financial and legal due diligence.
- 4.5 There will be a significant multiplier impact from Warwickshire's place shaping expenditure on the supply chain and connected jobs throughout this and will ultimately help business with a focus to recover and improve the Warwickshire economy.

5. Performance Measures

- 5.1 The Place Shaping programme must demonstrate its contribution to Council performance. Measures of place shaping impact will be developed as part of programme scoping, to inform the Council's performance management framework.

6. Risk, Interdependencies and Constraints

- 6.1 Programme and individual project risks will be identified and managed throughout the development of the programme. Risk Registers will be prepared at programme and project level, monitored and updated. Each identified risk will need to be assessed in terms of scale of risk, likelihood of occurrence and mitigation strategy.
- 6.2 Risks include but are not limited to; flexibility of procurement; financial; policy and legislative changes; reputational; environmental; legal; and capacity and capability to deliver. Other constraints such as highways infrastructure and flood risk may emerge on a project by project basis in relation to specific developments. In addition, there will be several interdependencies to be considered.

7 Financial Implications

- 7.1 The initial work will be covered by existing resources. Both Council staffing and short-term expertise are already in place within the Council's Transformation and Change Programme. There are significant pressures on the MTFs and 2020-21 budget as a result of Covid, which will be worked through over the coming months. Place shaping activity is an important part of the solution to the medium-term financial pressures we will face.
- 7.2 Initial scoping work on the Warwickshire Investment Fund will need to produce robust and accurate projections using the review of the Council's balance sheet and reserves, as well as testing private sector, Council and Government capacity to contribute funding. The initial financial work will ensure the Council is well positioned to secure Government funding to support recovery post-Covid, with a strong focus on attracting investment into the County. Specific investments will be subject to the usual business case assessment processes.

8 Environmental Implications

- 8.1 There are no direct environmental implications as a result of the decisions set out in this report. For each project taken forward the business case will include an assessment of the environmental implications and these will be considered explicitly as part of the decision-making process.
- 8.2 There will be opportunities to drive climate change benefits and look at carbon neutral and low carbon initiatives as part of this work. These will form part of each initiative in more detail.

9 Background Papers

- 9.1 None.

	Name	Contact Information
Report Author	Richard Ennis -Interim Place Shaping Programme Director	richardennis@warwickshire.gov.uk Tel: 07497 080477
Assistant Directors	David Ayton-Hill Andrew Felton Sarah Duxbury	
Strategic Directors	Mark Ryder Rob Powell	
Portfolio Holders	Cllr. Izzi Seccombe, OBE, Leader	

	Cllr.Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property Cllr. Kam Kaur, Portfolio Holder for Customer and Transformation	
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

The report was circulated to the following members prior to publication: Cllrs
Seccombe, Butlin, Kaur, Roodhouse, Chattaway, Chilvers, Cockburn

APPENDIX

Elements of place shaping and indicative programme components



