



RHONDDA CYNON TAF

RECORD OF DELEGATED OFFICER DECISION

SUBJECT: Wales Infrastructure Investment Plan: Welsh Government engagement

PURPOSE OF ATTACHED REPORT:

To agree the Council's response to the Welsh Government's Wales Infrastructure Investment Plan engagement invitation

DELEGATED DECISION (Date):

It is agreed:-

That the accompanying report be the basis of a response to the Welsh Government on the proposed Wales Infrastructure Investment Plan

[Handwritten Signature]
Chief Officer Signature

KEITH CLIFFITS
Print Name

03.04.12
Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

Russell Roberts

3/4/12

CONSULTEE CABINET MEMBER SIGNATURE

DATE

OFFICER CONSULTEE SIGNATURE

DATE

Directorate:	Regeneration and Planning
Contact Name:	Jane Cook
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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2011 - 2012 REPORT TO ACCOMPANY DECISION OF CHIEF EXECUTIVE

Part 1 (Non Confidential)
Wales Infrastructure Investment Plan

1. PURPOSE OF THE REPORT

- 1:1 To consider the planned publication by the Welsh Government (WG) on 22nd May, 2012 of the Wales Infrastructure Investment Plan and to consider a response to a request for views on infrastructure priorities. The announcement of the initial round of Stakeholders involvement is as set out in the leaflet produced and circulated by the WG and is attached at Appendix A.

2. RECOMMENDATIONS

1. to note the publication of the engagement leaflet by the Welsh Government on the Wales Infrastructure Investment Plan
2. to approve this report as the basis of a response to the Welsh Government on the proposed Wales Infrastructure Investment Plan.

3. BACKGROUND

- 3.1 Attached at Appendix A is an engagement leaflet produced by the Welsh Government on the Wales Infrastructure Investment Plan (WIIP). The development of the plan is being led by the Finance Minister Jane Hutt. The Welsh Government indicates the first version of the Wales Infrastructure Investment Plan will be published in 22nd May 2012, but it is the intention to continue a programme of external engagement after publication.
- 3.2 The leaflet sets out the aims of the WIIP, stating that it will:

- Identify and promote nationally significant infrastructure relevant across the Welsh Public Sector.
- Provide a 10 year indication of the Welsh Government's direction of travel and a rolling pipeline of approved investment, (Stating that the pipeline will focus on ministerially approved projects and programmes with a total project value greater than £15 million)
- Utilise innovative financing approaches.

3.3 The engagement leaflet seeks comments on a number of questions. However it is recommended that the Council's response focuses on the context of an Infrastructure Investment Plan, together with key initiatives and projects that are considered essential for the economic growth of the Rhondda Cynon Taf and the wider region.

PROPOSED RESPONSE

Rhondda Cynon Taf CBC welcomes the development of an Infrastructure Investment Plan for Wales and the opportunity to be engaged before the publication of the first version.

The plan needs to be borne from strategic priorities for Wales, key being the ability to support the economy. The Infrastructure Investment Plan should set out how resources will be invested in economic and social infrastructure to grow the economy and generate wealth and new jobs in Wales. The selection criteria should therefore be based on these factors.

The impact of infrastructure investment on long-term growth rates is widely recognised and whilst the precise level of investment in an economy is difficult to quantify the need for significant additional investment is clear. In a period of declining resources, ensuring that available resources are targeted efficiently and cost effectively to those areas that make the strongest contribution to sustainable economic growth becomes all the more important.

As noted therefore, the development of an Infrastructure Investment Plan is welcomed.

It is emphasised that the plan needs to be based on clear and evidenced priorities based on a rationale that will demonstrably improve the future of the Welsh economy for all our residents.

The Welsh Government has set out its priorities for economic renewal and also announced a number of enterprise zones. In addition, work is currently being developed around the economic benefits of Welsh regions. The Infrastructure Investment Plan should dovetail and support the priorities.

- **Key Sectors:** Wales needs to boost the performance of Welsh companies and make Wales an attractive place for inward investment to provide quality and sustainable jobs. The Welsh Government Economic Renewal Strategy sets out how efforts and resources will be directed sectors to create the right environment for growth.

- **Regions with high economic potential:** urban regions are the engines of growth in the economy. The Investment Plan needs to be based on a shared understanding of the growth priorities of our urban regions and their priorities.
- **Infrastructure which promotes growth:** connectivity (transport and digital) is key to ensuring and enhancing productivity and attracting investment. A key priority for Wales must be to ensure that key physical and digital networks are sufficiently strong to attract investment and growth. Priorities should include:
 - **Improvements to major transport links** such as the upgrading of the M4; the completion of the duelling of the A465; the Valleys Metro; development of Cardiff Airport; and the improvement of the strategic transport network linking the Spatial Plan Key Settlement of Llantrisant.
 - The importance of ensuring appropriate investment to manage current assets is also imperative. Investment in transport infrastructure plays an essential role in creating the right conditions for successful and sustainable growth in the economy.
 - Consideration should be given to groups of projects whose value individually may not reach the threshold identified in the engagement material, but which have, collectively a significant impact. Not to do so may result in missed opportunities.
 - **Next generation broadband infrastructure** the Infrastructure Investment Plan should support future innovation in the digital economy to ensure Wales is competitive in the global digital environment. Investment to support/complement the current rollout and build on the benefits accruing from the Digital Cities investment in Cardiff
- **Infrastructure which supports education and skills:** without investment in infrastructure to enhance the opportunities for our young people to access 21st Century technology and learn essential skills, the necessary developments in the Welsh economy in future years will not be realised.
- **Infrastructure which supports flood defence and the impact of climate change** investment in infrastructure needs to continue to protect our communities from potential flooding from both main river and surface water sources, including the anticipated impact of climate change. By careful assessment it should be ensured that any future investment is directed to the most vulnerable locations as the impact of any significant flooding is significant in terms of social and economic factors.

- 3.4 Investment in infrastructure is key to the development of a successful economy and a successful economy reduces health and other social pressures in the medium and long term. A failure to invest in infrastructure therefore will result in greater resource pressures in the future.
- 3.5 The strategic framework established by the Welsh Government's Economic Renewal Strategy should provide some rationale for infrastructure investment decisions and this should be supported by further assessment of the current gaps in economic support infrastructure.
- 3.6 The relationship of the Infrastructure Investment Plan and the future round of European Structural funding is important. It is critical that the Infrastructure Investment Plan clearly sets out the economic and social rationale for investment together with their clear benefits, to support funding options.
- 3.7 In conclusion therefore Rhondda Cynon Taf CBC sees that an Infrastructure Investment Plan will be an important asset for Wales. Setting out clear infrastructure plans based on key priorities and a clear rationale, will provide focus for all partners. Whilst supporting further investment any additional cost of borrowing should not be taken from front line revenue support.



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

The Wales Infrastructure Investment Plan

Finance Minister Jane Hutt is leading the Welsh Government's approach in developing a Wales Infrastructure Investment Plan (WIIP) to ensure that future investment is strategically prioritised, delivering maximum benefits to Wales.

A strong case for change

- Investment in Welsh infrastructure over the next decade is not only essential to deliver our Programme for Government priorities and investing for the future, but also to tackle backlog maintenance and replace obsolete facilities and equipment;
- The Welsh Government's capital spending power is reducing rapidly – by 2014-15 the capital Budget will be more than 40% lower in real terms than in 2010-11 and almost 50% lower than its peak in 2009-10. This means we have to act now, not only to seek innovative ways of financing infrastructure investments but being very clear about our priorities and driving greater economy and efficiency.

Clear priorities, focused delivery

The objectives of the plan are: to make better use of our assets; ensure our investments are aligned with our strategic priorities; drive better value from the money we are investing and lever more funding into public sector infrastructure investment to boost jobs and growth.

Specifically, the WIIP will:

- **identify and prioritise nationally significant infrastructure investment across the Welsh public sector**, including social as well as economic infrastructure, focusing resources on the highest priority schemes which will deliver the most benefit;
- **provide a 10 year indication of the Welsh Government's 'direction of travel' and a rolling pipeline of approved investments.** This will provide greater clarity and certainty to our delivery partners, particularly the private sector, over our medium and longer-term priorities. The pipeline will focus on Ministerially approved projects and programmes with a total project value greater than £15m and will be updated regularly;
- **utilise innovative financing approaches** wherever appropriate to increase resources available to invest in our infrastructure priorities.



Prioritising investment

The development of the WIIP will provide the strategic context for the future allocation of resources and for identifying where we should deploy the innovative financing mechanisms we need to boost investment over the coming years. This will ensure that we focus resources on investments aligned with Welsh Government objectives and importantly deliver the most significant returns.

We are reviewing the evidence on what types of investment have the biggest economic benefit – in the

short and long term – and this will form a key input into our future prioritisation and appraisal mechanism.

We also want to ensure that Welsh supply chains benefit as much as possible from public infrastructure investment in Wales and we will work collaboratively with public, private and third sector organisations to develop opportunities of strategic significance.

The Wales Infrastructure Investment Plan will cover both social infrastructure – like schools and hospitals – and economic infrastructure – like roads, energy and IT networks.

Innovative financing

We are exploring a range of potential opportunities and innovative mechanisms with potential delivery partners to lever in additional funding to enhance investment in our strategic priorities.

Your role in engagement

To deliver a successful Infrastructure Investment Plan, the support of our key stakeholders is essential. That is why we are seeking your views on the approach set out in this paper and specifically what our infrastructure investment priorities should be.

The First version of the WIIP will be published on **22 May 2012**, but this will be an evolving and adaptive plan with regular updates. We will continue a programme of external engagement after publication of version 1 as we develop and refine our investment plans for the future and move this important agenda forward.

We would be grateful for your comments on our proposed approach and views to the key questions below. Send us your comments by **09 April 2012**, by logging onto the on line form at:

<https://www.surveymonkey.com/s/WIIP>

- What are the most pressing infrastructure issues in Wales at present?
- What are the most pressing future infrastructure issues for Wales?
- Which initiatives do you feel the public, private and third sectors should be collaborating on?
- How can the public, private and third sectors work together better on areas of national importance?
- What should be the criteria for selecting strategically significant pipeline investments for the plan?
- The plan will include some key information on each of the pipeline investments. What level of information, on these pipeline investments, would be most useful to assist the private sector?
- Should we be seeking to increase investment in infrastructure above currently planned levels at a time when budgets used to fund the running costs of frontline services are falling in real terms?

Please email wiiplib@wales.gsi.gov.uk for further information