

# AGENDA

**Meeting** LEP London Infrastructure Group

**Date** Tuesday 3 December 2013

**Time** 2.00 pm

**Place** Committee Room 4, City Hall, The  
Queen's Walk, London, SE1 2AA

*Agendas and minutes of the meetings of the London Enterprise Panel and its Working Groups are published on the GLA's website at [www.london.gov.uk/londonenterprisepanel](http://www.london.gov.uk/londonenterprisepanel) (except in those cases where information may be exempt from disclosure under the Freedom of Information Act). Meetings are not held in public and are only open to those invited to attend by the Chair (or Co-Chair) of the Group.*

**Members:**

Isabel Dedring (Co-Chair)  
Harvey McGrath (Co-Chair)  
Nick Bliss  
Greg Clark  
Michèle Dix  
Fiona Fletcher-Smith  
Victoria Hills  
Sue Kershaw  
Jason Millett  
Chet Patel  
Cllr Chris Roberts  
Cllr Michael White

**Observers:**

Craig Harrison, London & Partners  
Dianna Neal, London Councils  
Peter North, GLA Senior Manager, Programme Delivery - Sustainable Energy  
Jorn Peters, GLA Senior Strategic Planner  
Jeremy Skinner, GLA Senior Manager - Growth & Enterprise

## **1 Apologies**

## **2 Declarations of Interest**

The Chair to invite Members to declare any interests which they may have in any of the items set out on the agenda.

[Note: In accordance with the GLA's Code of Ethics for staff, officers must make a declaration of interest on any issue on which they are advising the Mayor which affects an interest held by them - or any person related to them or with whom they have a close personal relationship whether financial or otherwise - and ensure that the details are recorded in the Authority's Register of Interests.]

## **3 Minutes of the meeting held on 12 September 2013 (Pages 1 - 6)**

## **4 Actions Arising (Pages 7 - 8)**

## **5 Jobs & Growth Priorities: Implementation Update (Pages 9 - 12)**

Presented by Suzanne Moroney, Principal Policy Officer - Competitiveness and Infrastructure.

## **6 Long Term Infrastructure Investment Plan - Update (Pages 13 - 16)**

Presented by Jeremy Skinner, GLA Senior Manager – Growth and Enterprise.

## **7 Growing Places Fund: Southall [Reserved from publication] (Pages 17 - 34)**

Presented by Debbie Jackson, GLA Assistant Director – Regeneration.

## **8 Transport for London (TfL) Draft Business Plan**

Presentation by Steve Allen, TfL Managing Director - Finance.

## **9 TfL: Transport investment facilitating growth and regeneration [Reserved from publication] (Pages 35 - 46)**

Presented by Michèle Dix, TfL Managing Director – Planning.

## **10 TfL forecasts [Reserved from publication] (Pages 47 - 48)**

Presented by Michèle Dix, TfL Managing Director – Planning.

## **11 European Structural Funds 2014-20**

Presentation by Alex Conway, GLA European Programmes Director.

## **12 Any Other Business the Chair Considers Urgent**

## **13 Date of Next Meeting**

The next scheduled meeting of the Infrastructure Group is at 10.00 am on 5 March 2014 in Committee Room 4 at City Hall.

## **14 Close of Meeting**

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# LONDON

ENTERPRISE PANEL

# MINUTES

**Meeting: LEP London Infrastructure Group**

**Date: Thursday 12 September 2013**

**Time: 3.00 pm**

**Place: Committee room 3, City Hall, The Queen's Walk, London, SE1 2AA**

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**Present:**

**Members:**

Harvey McGrath (Co-Chair)  
Greg Clark  
Michèle Dix  
Fiona Fletcher-Smith  
Victoria Hills  
Cllr Chris Roberts  
Cllr Michael White

**Observers:**

Dianna Neal, London Councils  
Peter North, GLA Senior Manager - Programme Delivery (Sustainable Energy)  
Jeremy Skinner, GLA Senior Manager - Projects and Policy

**By invitation:**

Andy Brown, Transport for London (TfL) (Item 6)  
John Dickie, London First  
Daniel Moylan, Board Member - TfL (Item 6)

**GLA officers:**

Alex Conway, European Programmes Director  
David Gallie, Assistant Director - Group Finance  
Debbie Jackson, Assistant Director - Regeneration  
Margaret Kalaugher, Principal Policy Officer- Transport

City Hall, The Queen's Walk, London SE1 2AA

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**GLA officers (continued):**

Alison Murray, Programme Manager - Growing Places Fund

Suzanne Moroney, Principal Policy Officer - Competitiveness and Infrastructure

Claire Sherer, Senior Board Officer

Madalina Ursu, Senior Policy Officer - Economic & Business Enterprise

**1 Apologies (Item 1)**

- 1.1 Apologies were received from Isabel Dedring (Co-Chair), Chet Patel, Sue Kershaw, Craig Harrison (Observer) and Jorn Peters (Observer).

**2 Declarations of Interest (Item 2)**

- 2.1 There were no Declarations of Interest.

**3 Minutes of the meeting held on 5 June 2013 (Item 3)**

**3.1 DECISION:**

**That the minutes of the meeting held on 5 June 2013 be agreed as a true and accurate record of the meeting.**

**4 Actions Arising (Item 4)**

- 4.1 Members were advised that most of the outstanding actions would be addressed at the next meeting and that further to the update on electricity infrastructure (at Appendix 1 of the report), funding had now been agreed and the research to provide an evidence base for the strategic barriers to investment would be put out for tender in October 2013.

**4.2 DECISION:**

**That the update on actions arising from previous meetings be noted.**

**5 Update on the London Enterprise Panel membership (Item 5)**

- 5.1 Members were advised that at the last meeting of the London Enterprise Panel (LEP), the Mayor of London had announced that he would be taking the chair from the 2 October 2013 meeting onwards. The current co-Chairs would become Deputy Chairs.
- 5.2 At the same time, the remit of the LEP would be widened in order to bring together the key levers of growth by incorporating strategic oversight of London's plans for housing, transport, the Olympic legacy and East London convergence.
- 5.3 To support this widened role he would also be appointing the Commissioner of Transport for London, the Deputy Mayors for Housing, Land & Property and Transport, the Deputy Chair of

the London Legacy Development Corporation, the Mayor's Chief of Staff and a representative from a major London's University (to be nominated by the Mayor). The Chair of London Councils would be invited to attend meetings as a non-voting observer.

**5.4 DECISION:**

**That the update be noted.**

**6 A new hub airport for London and the UK (Item 6)**

6.1 The Chair welcomed Daniel Moylan to the meeting and invited him to give an overview of his current thinking around a new hub airport for London and the UK.

6.2 In conclusion, Mr Moylan said that that case for a large hub airport was compelling but that it could not be delivered at Heathrow given the constraints of the site and the impact on local residents. He remained convinced that a new hub to the East of London was the most viable option, especially given the economic boost to the area.

6.3 Given the complexity of the subject, Members asked a number of questions relating to the options, noting that:

- the matter would be discussed by the London Enterprise Panel (LEP) meeting at a later stage;
- comprehensive evidence to support an East London hub airport would be published by Transport for London (TfL) on 27 September 2013; and
- The independent Airports Commission (responsible for examining the need for additional UK airport capacity and recommending to government how this can be met in the short, medium and long term) would be:
  - submitting a report to the government by the end of 2013, identifying and recommending options for maintaining the UK's status as an international hub for aviation and immediate actions to improve the use of existing runway capacity in the next 5 years; and
  - submitting a final report to the government by summer 2015 assessing the environmental, economic and social costs and benefits of various solutions to increase airport capacity - considering operational, commercial and technical viability.

6.4 Following these further developments, the Group would be in a better position to decide on a view regarding future aviation needs.

**6.5 DECISION:**

**That the presentation be noted.**

**7 Jobs & Growth Implementation Plan Update (Item 7)**

7.1 Members considered the Implementation Plan, noting that it might be better to group a number of the actions under the Infrastructure Plan for future meeting discussions.

**London Enterprise Panel  
LEP London Infrastructure Group  
Thursday 12 September 2013**

7.2 Noting that the Plan was in the early stages of development, the Chair requested that more detail be included for consideration at the next meeting in support of better public oversight of the work being done to deliver the Jobs and Growth Plan.

**7.3 DECISIONS**

- a) That the Implementation Plan be noted; and**
- b) That officers develop the Plan in more detail before consideration at the next meeting.**

**a) Update on Growing Places Fund (GPF) - Round 2 proposals (Item 7a)**

7.4 Members received an overview of work to date in relation to the 32 bids received as part of the Growing Places Fund (GPF) Round 2 bidding process held between May and June 2013, noting that the overall approach had been endorsed by the London Enterprise Panel (LEP) at its 24 July 2013 meeting and that the LEP would make further recommendations on 2 October 2013.

7.5 Members were keen to be updated on the infrastructure projects in 'category 2' ('develop further/ seek alternative funding') especially those which Members felt may have a strategic fit with the LEP's jobs and growth agenda.

7.6 In response to a question, officers confirmed that projects were prioritised against a range of criteria including repayment, which enabled the evaluation team to take a balanced approach and weigh up repayment against other outcomes. The Chair requested that this 'portfolio' approach be made explicit for the London Enterprise Panel when it makes its final decision on 2 October 2013 and advised the Group that he would consult some Panel Members on their views ahead of the meeting.

**7.7 DECISIONS:**

- a) That the summary of the bidding process thus far be noted;**
- b) That the approach taken to developing three categories of projects ('reject', 'develop further/ seek alternative funding' and 'preferred bids') at this stage be noted;**
- c) That the decisions taken by the London Enterprise Panel at the meeting of 24 July be noted; and**
- d) That the approach taken to assessing the individual bids in relation to the outcomes and repayment proposals should be made explicit for the London Enterprise Panel (LEP) when it takes its final decision on the bids at its 2 October 2013 meeting.**

**b) Long Term Infrastructure Investment Plan - Update (Item 7b)**

7.8 Members were given a comprehensive update on work to date regarding the development of a long term Infrastructure Investment Plan and recommended that:



- the scope and governance arrangements be agreed as soon as possible to provide a strong starting position;
- the Plan should be a high-level strategy focused on investment needs;
- it be designed to link with the Mayor's London Plan and Economic Development Strategy (with a refresh of those documents as necessary);
- further thought be given to any outputs and measures;
- any assumptions made (e.g. population and economic forecasts or travel / behavioural patterns) should be explicitly identified;
- the geography should be defined as the Plan will reach further than the boundaries of London;
- options for river-crossings and bridges should be included; and
- attention be paid to how the Plan might support any climate change targets.

7.9 Members were thanked for their views which would be conveyed to the Mayor's Chief of Staff as Chair of the GLA's Investment & Performance Board which would be over-seeing progress. Given the centrality of this work to the remit of the LIG, Members were keen to stay involved in the development of the Plan and requested clarification of the governance arrangements, in particular the basis for informing and engaging the LIG. Suggestions included a monthly email update, and Members were invited to feed any views in after the meeting.

#### **7.10 DECISIONS:**

- a) That work to date on the long term Infrastructure Investment Plan be noted;**
- b) That the Group's views on the emerging proposals for producing the Plan (as set out above) be conveyed to the Mayor's Chief of Staff; and**
- c) That a diagram showing the governance arrangements be circulated to Members as soon as possible and a monthly report on progress be issued between the quarterly Group meetings.**

### **8 Transport for London (TfL) Growth Fund - Update (Item 8)**

8.1 Members were advised that an update on the Transport for London (TfL) Growth Fund would instead be provided at the next meeting to allow further analysis of the work to date.

#### **8.2 DECISION:**

**That the Transport for London (TfL) Growth Fund update be deferred until the next meeting of the Infrastructure Group.**

### **9 Presentation on EU Structural and Investment Funds 2014 to 2020 (Item 9)**

9.1 Members received a presentation on requirements to deliver a draft strategy on EU Structural and Investment Funds 2014 - 2020 to Government by 7 October 2013 with the final strategy due in January 2014. The LEP would be considering the draft strategy at its meeting on 2

**London Enterprise Panel  
LEP London Infrastructure Group  
Thursday 12 September 2013**

October 2013 and Working Group Members would be given an opportunity to make comments at this point.

- 9.2 Greg Clark advised the Group that he was the London Enterprise Panel (LEP) representative on the current London 2007-13 ERDF and ESF Programme Monitoring Committees; and in response to proposals for a possible visit to the European Commission in Brussels, he instead suggested that it might be more useful to visit a successful London-based EU-funded project.

**9.3 DECISION:**

**That the presentation on EU Structural and Investment Funds 2014 to 2020 be noted.**

**10 Any Other Business the Chair Considers Urgent (Item 10)**

- 10.1 There was no other business.

**11 Date of Next Meeting (Item 11)**

- 11.1 The date of the next meeting was confirmed as 2.00 - 4.00pm on 3 December 2013 at City Hall, The Queen's Walk, London, SE1 2AA.

**12 Close of Meeting (Item 12)**

- 12.1 The meeting closed at 5.15pm.

**Contact Officer:** Claire Sherer, Senior Board Officer  
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London SE1 2AA

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**London Infrastructure Group**

Date of meeting: **3 December 2013**

Title of paper: **Update on Actions Arising from Previous Meetings**

To be presented by: **Claire Sherer, Senior Board Officer**

Cleared by: (Director) **Fiona Fletcher-Smith, Executive Director - Development, Enterprise & Environment**

Classification: **Public**

**1 Executive Summary**

1.1 This report updates the London Enterprise Panel’s Infrastructure Group on actions arising from previous meetings.

**2 Recommendation**

2.1 That the Group notes the update on actions arising from previous meetings.

**3 Actions arising from previous meetings**

<b>Agenda Item</b>		<b>Status</b>
Growing Places Fund: Transport Infrastructure Projects (Item 4 - 24 April 2013)	Various actions associated with progressing the Growing Places Fund (Round 1) bids.	An update on proposed changes to the Southall project is included at Item 7.  An update on the Bexley Roundabout project will be presented to 5 March 2014 meeting.
Electricity Infrastructure (Item 7 – 5 June 2013)	Present interim findings from the research commissioned to provide an evidence base for the strategic barriers to Electricity Infrastructure investment 3 December 2013 meeting (if available).	Interim findings are not yet available so a full update will be provided at the 5 March 2014 meeting instead.

<b>Agenda Item</b>		<b>Status</b>
Any Other Business the Chair Considers Urgent (Item 10 – 5 June 2013)	Ensure that the Group receive an update on Transport for London (TfL) forecasts at its 3 December 2013 meeting.	See Item 9.
Jobs & Growth Implementation Plan Update (Item 7 - 12 September 2013)	That officers develop the Plan in more detail before consideration at the next meeting.	Plan has been streamlined and updated (see Item 5)
Long Term Infrastructure Investment Plan - Update (Item 7b - 12 September 2013)	<p>a) That the Group's views on the emerging proposals for producing the Plan be conveyed to the Mayor's Chief of Staff</p> <p>b) That a diagram showing the governance arrangements be circulated to Members as soon as possible and a monthly report on progress be issued between the quarterly Group meetings.</p>	<p>a) Actioned.</p> <p>b) Attached at Appendix A of this report (see page 9)</p>
Transport for London (TfL) Growth Fund - Update (Item 8 - 12 September 2013)	That the Transport for London (TfL) Growth Fund update be deferred until the next meeting of the Infrastructure Group.	Attached at Item 8.

#### **4 Financial comments of the Executive Director Resources**

4.1 None arising directly from the recommendations outlined in this report.

#### **Appendices:**

- None.

**London Infrastructure Group**

Date of meeting: **3 December 2013**

Title of paper: **Jobs & Growth Implementation Plan**

To be presented by: **Suzanne Moroney, GLA Principal Policy Officer - Competitiveness and Infrastructure**

Cleared by: (Director) **Fiona Fletcher-Smith, Executive Director – Development, Enterprise and Environment**

Classification: **Public**

**1 Executive Summary**

- 1.1 Members are asked to note this quarterly update on the actions arising from the London Enterprise Panel's Jobs & Growth Plan which are relevant to the Infrastructure Group (see Appendix A).
- 1.2 This report also asks Members to agreed changes to the Implementation Plan, namely the merging of two of the existing actions (No. 44 and 45) into Action No.40.

**2 Recommendations**

That the Group:

- a) Notes the updates to the Jobs & Growth Implementation Plan since 12 September 2013 and provides any comments; and
- b) Agrees that Actions 45 and 46 are merged into the activities for Action 40.

**3 Introduction and Background**

- 3.1 Following the publication of the Jobs & Growth Plan for London in April 2013 an Implementation Plan was drawn up to track progress in actioning the 49 recommendations identified in the plan. This Implementation Plan is divided into the LEP's four priority areas (Skills & Employment, Micro/SMEs, Infrastructure and DCST) and progress is reported to the London Enterprise Panel (LEP) on a quarterly basis.
- 3.2 Of the 49 actions, 8 (No. 39 – 46) were initially within the remit of the Infrastructure Group but this report proposes that this is reduced to a total of 6 actions as 2 of the actions have been identified as falling directly within the activity areas for another existing action (No. 40).

**4 Issues for consideration**

- 4.1 The Group are asked to consider the updates at Appendix A. Further verbal updates will be provided during the meeting on which GLA officers will seek feedback and guidance.

4.2 This report also proposes to delete **Actions 44 and 45** as these are captured within the activities related to the Long Term Infrastructure Investment Plan (**Action 40**) as they are work-streams that input directly into the project.

<b>Existing actions (to be deleted)</b>	<b>Actions 44 and 45 will now fall under the activities for existing Action 40:</b>
<b>Action 44:</b> Work with other stakeholders to understand the operation of infrastructure regimes and scope for improvement.	<b>Action 40:</b> Develop an understanding of the overall costs and funding of London’s existing and new infrastructure requirements, and their implications, including user charges, investment options, and efficiencies required.  (See Appendix A for the activity list)
<b>Action 45:</b> Promote London’s expertise in delivering infrastructure projects globally.	

4.3 A comprehensive update on the emerging Infrastructure Investment Plan (IIP) is included separately at Item 6 on this agenda.

**5 Risks arising / mitigation**

- 5.1 There are risks arising from non-delivery of the Jobs and Growth Plan recommendations but this tracking tool aims to give both Members and Officers oversight of the actions and progress made. Members are invited to give their views on specific risks and mitigations which can then feed in to the process.
- 5.2 One activity has a red ‘RAG’ rating. This fall under the priority action to assist with the Mayor’s objective of generating at least 25% of London’s energy needs by 2025. The Mayor’s development support for the implementation of large-scale decentralised energy projects is carried out through the Decentralised Energy Project Delivery Unit (DEPDU). The Mayors funds 10% of the DEPDU. The three year programme finishes on 31 July 2014 and plans for an unfunded successor programme are being developed.

**6 Financial comments of the Executive Director Resources**

6.1 There are no financial implications arising from the recommendations outlined in this report at this stage.

**7 Next steps**

7.1 The Group’s comments will be incorporated into the Implementation Plan and on-going work on the activities.

**Appendices:**

- Appendix A – LIG Implementation Plan (as extracted from the over-arching LEP Implementation Plan)

**Background Documents:**

- Jobs and Growth Plan for London (Published April 2013)  
<http://www.london.gov.uk/priorities/business-economy/publications/london-enterprise-panel-publishes-its-job-and-growth-plan-for>

LIG Jobs Growth Plan - Implementation Plan

LEP PRIORITY	No	ACTION	ACTIVITY	TIMEFRAME	ISSUES TO NOTE	Lead LEP Member	Officer Owner	Status (RAG)	Budget
Infrastructure	39	Advise the Mayor on the impact on London of national and international policy regarding infrastructure development, including especially energy and climate change, and ensure that London's voice is heard in the national debate;	1. In-house expertise in the fields of energy markets, regulation and technical know-how providing the capability to advise in detail on new and emerging issues 2. Ongoing communication with Ofgem / Downing St. / DECC on energy infrastructure 3. Development of Licence Lite with Ofgem 4. Response made to CCC's consultation on heat 5. Response to Allowable solutions consultation ongoing	Ongoing.	This is to ensure that policy and regulatory developments help and not hinder the delivery of the Mayor's energy policies. It also provides the opportunity for the Mayor to inform policy thinking based on London's experiences that are often in advance of national government.		PN		
	40	Develop an understanding of the overall costs and funding of London's existing and new infrastructure requirements, and their implications, including user charges, investment options, and efficiencies required;	Develop the Long Term Infrastructure Investment Plan (IIP) for London, working with other stakeholders to understand the operation of infrastructure regimes and scope for improvement (previously Action 44).  The IIP will be used to promote London's expertise in delivering infrastructure projects globally (previously Action 45).	Interim Report to be ready by February 2014 followed by a final report in Summer 2014.	This is a significant piece of work that we are undertaking for the first time that looks to understand London's infrastructure needs by 2050 across a variety of sectors. The costs and benefits of the proposed infrastructure needs will be analysed and funding and financing solutions will be explored in detail.  The scope, approach and timeframe for the project have been agreed. Baseline population and employment projections including high and low estimates, based on continued economic and population growth are being used to establish our first take on London's infrastructure needs to 2050. We will consider the impact of alternative possibilities for London's development (e.g. airport location, increase in outer London densities, etc).  Out initial assessment of London's infrastructure needs to 2050 will be available by the beginning of December. Work on funding and financing options is being done contemporaneously. Consultants will be engaged mid-December to check the work that has been produced by the GLA and assess the costs and benefits associated with London's infrastructure needs, taking into account to the extent possible economic, social and environmental aspects.  Consultation with stakeholders is ongoing. The GLA are engaging with a wide range of stakeholders to ensure the plan reflects the needs and expertise of all actors and has buy-in from key players. Stakeholders will be engaged through a combination of bilateral meetings, a call for evidence and stakeholder events.  We have sent out a call for evidence to relevant parties to get views on initial questions. We are planning a one-day stakeholder event on 16 December, where we will present our initial ideas and test propositions with key stakeholders across infrastructure types. Bilateral meetings are ongoing.  The GLA and L&P will consider strategic approaches to promoting the Infrastructure Investment Plan and how best to attract investors to finance London's infrastructure that will be developed alongside and following the publication of the Infrastructure Investment Plan.	Isabel Dedring	JS/SM/MU		IPB have approved a budget of £382,000 for the Infrastructure Investment Plan.
	41	Monitor and assist with the delivery of the Mayor's stated objective of generating at least 25% of London's energy needs by 2025;	<b>Small scale decentralisation</b> 1. The London Plan requires new developments to consider decentralised energy leading to the implementation of small-scale decentralised energy projects.  <b>Large scale decentralisation</b> The Mayor's support for the planning and implementation of large-scale decentralised energy projects which is carried out through the 2. Energy Master Planning (EMP) and 3. Decentralised Energy Project Delivery Unit (DEPDU) programmes.	1. Ongoing	1. Reporting is provided by the <i>Monitoring the implementation of London Plan energy policies</i> published annually.  2. EMP budget is established annually. Six EMPs have been carried out to date with a further three scheduled for FY13/14.		PN		
42	Receive and provide advice on TfL's draft business plans prior to their publication;	Prior to publication, TfL will present their draft business plan to the LIG meeting on 3 December.	2. EMP funded until 31 March 2014 3. DEPDU funded until 31 July 2014 December 2013	2. EMP budget is established annually. Six EMPs have been carried out to date with a further three scheduled for FY13/14. 3. DEPDU is funded 90% by the EIB and 10% by the Mayor. The three year programme finishes on 31 July 2014. Plans for an unfunded successor programme are being developed.	Isabel Dedring	VH		3. £2.8m N/A	

LIG Jobs Growth Plan - Implementation Plan

	43	Advise the Mayor on how £37m of the Growing Places Fund can best support infrastructure projects;	The LIG has the responsibility to fund and oversee the delivery of the four transport projects receiving Round 1 GPF funding. These projects are Bexley Queens Rd Roundabout (£5.7m), Southall - Good to Grow Ready to Go (£6.8m); Angel Road Station (£2.5m) and the West Anglia Route (£25m). In June 2013 the projects were approved by the LEP. Work is underway with delivery partners to develop each of these projects further. The next steps are for all projects to progress through the GLA Stage 1 and 2 approval process and to be agreed by JPB. Further modelling work and business case development is underway for all projects.	The timescales for delivering each of these projects varies. It is likely that full approval for Angel Road, Southall and Bexley will be sought in early 2014 when further business case development and technical work has been completed (approval will be sought generally at the stage of a preferred option) and full approval for West Anglia later in 2014.	The GLA is working closely with the 4 successful transport projects to develop their projects further and progress towards GLA stage 2 approval. Modelling and design work has commenced on all projects. Governance arrangements have been put in place for all projects. Discussions underway with TfL with regard to delivery of key projects requiring input from TfL. Further work will be undertaken by all projects to model and develop repayment options and mechanisms. It is likely that projects will be funded by grant agreement or via the GLA's treasury management strategy.	AM		£40m
	44 [Merged with No. 40]	<del>Work with other stakeholders to understand the operation of infrastructure regimes and scope for improvement.</del>						
	45 [Merged with No. 40]	<del>Promote London's expertise in delivering infrastructure projects globally.</del>						
	46	Engage in the consultation process for the launch of the UKPN's business plan for 2015-2023 to ensure electricity infrastructure investment accommodates London's growth.	Response to UKPN's Business Plan consultation (Jan 2013), their Business Plan Update (June 2013) and now their Final Business Plan submission directly to Ofgem and its Chairman (August 2013). London Electricity High-level Working Group meetings in January, March and June 2013 – pushing for strategic infrastructure investment.  We need to commission research for robust evidence to support our aim and take the issue up with Ofgem and Government. Officers and Matthew Pencharz are already in touch with relevant officials at DECC, BIS and the Prime Minister's Office (see action 39).	Technical Working Group meeting on 26 September 2013 discussed and agreed research and tender brief for consultancy work.  Research is expected to conclude in February 2014, and on its basis further discussions with the Government and other key players about improving infrastructure funding arrangements will be initiated. Its results will be reported to the Group's March 2014 meeting.  This will also feed into the Long Term Infrastructure Investment Plan. (see action 40)	The research is likely to include: <ul style="list-style-type: none"> <li>the comprehensive identification of barriers and disincentives to London's development and growth presented by the current regulatory, financial and procedural arrangements for the making of electricity connections and investment in London's electricity distribution infrastructure,</li> <li>the modelling of the scale of the impact the disincentives and barriers on the willingness of investors and developers to invest in London's buildings and infrastructure</li> <li>estimating the consequential economic impacts of the barriers and disincentives on London's growth and also any loss of development potential benefiting residents, commuters and visitors to London.</li> <li>exploring options for and costs and risks relating to removing the barriers and disincentives, including evaluating the likely impact of each option on electricity consumers</li> </ul>	JP/RT		



# LONDON

ENTERPRISE PANEL

## London Infrastructure Group

Date of meeting: **3 December 2013**

Title of paper: **Long Term Infrastructure Investment Plan - update**

To be presented by: **Jeremy Skinner, Senior Manager – Growth and Enterprise**

Cleared by: (Director) **Fiona Fletcher-Smith, Executive Director - Development, Enterprise & Environment**

Classification: **Public**

### 1 Executive Summary

- 1.1 The Greater London Authority (GLA) is producing a Long Term Infrastructure Investment Plan for the city, to set out London's strategic infrastructure requirements to 2050, across the main aspects of infrastructure (transport, energy, water, waste, green infrastructure, telecoms and partially social infrastructure). It will also assess the magnitude of spend involved, and consider how we could fund and finance our requirements.
- 1.2 A range of internal work has been conducted in-house since the last LIG meeting, to develop our thinking on London's high level infrastructure requirements to 2050. This paper sets out the timetable for reporting on this piece of work, along with our initial findings and next steps.

### 2 Recommendation

That the Group:

- 2.1 Notes that we plan to publish an interim report in early Spring 2014 setting out our initial thoughts on London's high level infrastructure requirements, the likely magnitude of cost involved and how we might pay for it all.
- 2.2 Notes the work to provide a first draft of our initial assessment London's infrastructure is due to be completed by the end of November. Emerging issues and proposals are outlined in the paper; we will provide further information at the meeting. These are very much first thoughts, which we will further refine through continued internal analysis and external input. The Group are asked to provide their reactions to the proposals presented in this paper and at the meeting.

### 3 Introduction and Background

- 3.1 At the last LIG meeting we set out our thoughts on the scope of the project, timetable to publication and approach to the work. It was agreed that the scope should cut across all aspects of infrastructure. The Plan will cover transport, energy, water, waste, telecoms, green infrastructure and partially housing and schools. We set out our view that publication by summer 2014 would allow the necessary work to be completed. This

remains our aim, with an interim report ready by February 2014. This will allow us to show progress and provide a further opportunity for stakeholders to input as we refine our thinking.

- 3.2 This is the first time London has produced a long term look at its infrastructure needs. As stated previously this means we will take an iterative approach to publication of both the interim and final reports. It also means this will not be a one off exercise and will be revisited periodically, we do not intend for these publications to provide the final answer on London's infrastructure needs to 2050. Technology, policy changes, economic growth and population growth all have the potential to profoundly change our infrastructure requirements.

## **4 Update**

### Approach

- 4.1 For the purposes of producing our initial assessment of London's strategic infrastructure requirements to 2050 a view on London's growth based on continued growth in population and growth has been adopted. This will form our baseline proposition for London's infrastructure requirements and the scale of investment required. This assumes London's population will increase by 37% to 11.27 million.
- 4.2 Going forward, as we start to refine and extend this analysis of London's infrastructure needs, we will consider alternative scenarios for London development to 2050. This will address questions such as:
- Location of increased airport capacity. For example, what will the consequences be for London's infrastructure needs should Heathrow close and a new airport located to the east of London?
  - Policy towards the green belt and densification change – we will consider the consequences for London's infrastructure requirements should we see a step change in these policies
  - What would London's infrastructure requirements look like, if some of the expected growth in population was accommodated by the building of new towns?
- 4.3 We are nearing the end of producing our initial assessment. From December we will start to get external input on these early proposals, through stakeholder engagement and recruiting consultants to sense check our work to date and provide an assessment of the costs involved.

### Emerging issues and proposals

- 4.4 Across infrastructure provision there has been at least some level of under-investment in recent history. This may be partly due to uncertainty and/or lack of confidence in the city's future as well as a result of the constraints placed on the regulated utilities to keep consumer prices down.
- 4.5 The planning that has taken place for London's infrastructure investment is largely based on now out of date population projections. Based on results from the latest Census, London's population is now expected to grow at a much faster rate – the latest projected growth suggests an increase of 20% or 1.6 million people in London population between 2011 and 2031 (from 8.22 million to 9.84 million). Our latest projections to 2050 suggest a continued growth in population to 11.27 million.
- 4.6 The combination of under-investment in infrastructure to date and London's population growing faster than previously anticipated, means there is even greater pressure than before to deliver housing, transport links to new housing developments and the whole

range of infrastructure needed to support such growth. Without a significant increase in investment, London is likely to see:

- Significant increases in congestion in outer London
- Demand for water outstripping supply – on the lower population projections Thames Water project that demand will outstrip supply by 125m litres per day (mld) as soon as 2015, and by 367 mld by 2040.
- New housing developments unable to go ahead due to lack of electricity cables.
- Ever growing housing shortages, based on the projected population growth to 2050, London requires 50,000-80,000 new homes a year.

4.7 The ability to attract financing for infrastructure is a greater issue for some sectors compared to others. For example, for green infrastructure with the main purpose being to provide community benefits such as improved health and well-being, the economic benefits are not easily captured in terms of the returns to investment.

4.8 To address these issues, and address the implications of climate change, a range of recommendations are being proposed. All need further explorations in terms of feasibility and value for money, but provide a starting point for determining how London may need to respond to its infrastructure needs. The list of draft proposals to date is attached at Annex A; they include:

- Develop an Energy Master Plan for London, based on favoured approach of either continued nationally led centralised provision, or a decentralised model based on local energy production from a range of low and zero carbon energy sources. (Favoured approach to be set out in the Infrastructure Investment Plan for London).
- Ensure London is a leader in the implementation of Autonomous Vehicle Technology to enhance the functionality of the public transport network.
- Create a GLA-led delivery body to deliver green infrastructure projects to reduce the amount of rainwater entering the drainage system. Potentially to be funded from the water companies and developers.
- Central Government to provide a clear long term allocation of grant funding to meet London's infrastructure investment needs (as to be set out in the Infrastructure Investment Plan for London).

### Engagement

4.9 It is critical that stakeholders are closely involved in the development of the Infrastructure Investment Plan. This will both ensure we have access to the full range of expertise needed and to ensure support for the report, particularly important as many of the recommendations will be delivered by external parties.

4.10 We have already engaged a range of stakeholders, including John Armit, City of London and the London Chamber of Commerce and Industry. The vast majority have been supportive of the need for a long term integrated infrastructure plan for London. Many have offered support, particularly in terms of facilitating engagement with their members/contacts.

4.11 We have issued a call for evidence to our main stakeholders, asking for the general thoughts on London's infrastructure requirements, the barriers to delivery and how we could pay for our needs. This was sent to all London boroughs, business organisations, engineering and consulting firms; developers; academics and think tanks.

4.12 Going forward, we plan to hold a number of events to debate our emerging proposals with a large range of stakeholders. Our main stakeholder event will be a one day event

on 16<sup>th</sup> December, to bring together a wide range of stakeholders with interests across the full range of infrastructure. The day will include all-attendee discussions on our emerging ideas, possibilities for the shape and size of London at 2050 and how we might pay for our requirements. Workshops will then allow more detailed discussion on specific ideas and generate further ideas to explore.

4.13 We are also planning smaller events with key groups of stakeholders. These include working groups with the 'City Thinkers' group of leading academics from the London Universities; a workshop session for the Institute of Civil Engineers combining our work on the Infrastructure Investment Plan with their work on the State of the Nation report. We will also hold a round table with London Councils for council Leaders. These will take place in January.

4.14 Depending on stakeholder input during December as well as the level of expertise needed to progress specific recommendations we may hold further events focused on specific sectors or proposals (either in person or virtually through online discussions) during January and February.

## **5 Comments of the Executive Director of Resources**

5.1 There are no direct financial implications arising from this report

## **6 Next steps**

6.1 We will continue to develop to our thinking on London's high level infrastructure requirements, how much that might cost and how it might be paid for. In doing so, we will incorporate comments from the LIG and our stakeholders.

6.2 We are about to tender for contractor to advise on our thoughts so far and to assess the costs and benefits of London's long term infrastructure requirements, determining which aspects are most essential and represent best value for money.

## **Appendices:**

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