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To: Health and Wellbeing Board

Date: 18 November 2015

Subject: Growth and Infrastructure Framework

Classification: Unrestricted

Summary:

This report provides an overview of the recently launched Kent and Medway Growth and Infrastructure Framework, and the associated action plan. It also seeks the Board's input to the development of the GIF, with a view to strengthening particularly the health and social care infrastructure evidence base and using it to help shape health infrastructure provision to support housing growth.

Recommendations:

The Board is recommended to:

- a) note the contents and conclusions of the first GIF and its associated action plan;
 - b) agree to help shape the future of the GIF by contributing robust and timely data and analysis to the next refresh; and
 - c) agree to use the GIF to help shape discussions about the future shape of health and social care service delivery
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1. Background

- 1.1. Board members will be aware of increasing pressure on local authorities across the UK in delivering housing and economic growth. Within Kent and Medway alone, approximately 160,000 new houses are planned to 2031. In order to deliver such housing numbers, it is vital that the right infrastructure is in place to support that growth – infrastructure including not just roads and rail, but public services required to serve these new communities including education, leisure facilities, and critically health and care services.
- 1.2. The Kent and Medway **Growth and Infrastructure Framework (GIF)** has been developed to provide a clear picture of housing and economic growth to 2031

and the infrastructure needed to support this growth. It was finalised following its consideration by County Council in July and Kent Leaders in September. The full GIF can be accessed via the following weblink: www.kent.gov.uk/gif.

- 1.3. At a time when the Government has prioritised the delivery of housing and economic growth more generally, it is an absolutely critical time for Kent to use the GIF to not only promote Kent and Medway’s infrastructure priorities, but also shape a more sustainable approach to funding infrastructure in the long term.
- 1.4. To this end, the final version of the GIF includes a **10-point action plan**, which taken together will ensure that the GIF becomes a framework and platform for creating a more sustainable and effective approach to planning, investing and delivering infrastructure to support growth. Please see Appendix for a summary of these actions.

2. The GIF on health and social care

- 2.1. As part of the infrastructure to support growth in Kent and Medway, the GIF provides evidence on the provision of healthcare and social care capacity across the area – both current provision and provision that would be required to support the planned housing growth to 2031.

Healthcare provision

- 2.2. It should be noted that there were challenges in gathering robust data on health infrastructure provision for this first version of the GIF – a challenge which it is hoped can be overcome in working more closely with partners in the sector. The data for existing provision was taken from NHS Choices data, whilst the future requirements and associated costs were derived from modelling that applies population growth to existing provision.

- 2.3. Specifically, the GIF provides the following data:

Current provision	Required provision to 2031
<ul style="list-style-type: none"> • Current primary healthcare, including: <ul style="list-style-type: none"> ○ Number of GPs ○ Patient list size ○ Patients per GP ○ Population per dentist ○ Population per pharmacy ○ Population per optician 	<ul style="list-style-type: none"> • Primary healthcare required to support population growth to 2031

<ul style="list-style-type: none"> • Current provision of hospital capacity, including: <ul style="list-style-type: none"> ○ Existing acute NHS hospitals ○ Existing community hospitals 	<ul style="list-style-type: none"> • Additional beds required to support population growth – including both hospital beds and mental health beds
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2.4. The GIF is based on the existing healthcare model using population growth forecasts to establish level of demand for healthcare services. For acute hospital and mental health beds needed, the current UK bed to person ratios (i.e. steady state) was used and has been applied according to the forecast population growth.

2.5. Future requirements and associated costs and funding assumptions for primary, acute and mental healthcare have been based on benchmark modelling and have not yet, due to time constraints been validated or agreed by the NHS. In most cases of development, after developer contributions have been taken into account, the outstanding costs to deliver necessary infrastructure are usually met by the NHS. However, given the known funding deficit across public sector organisations including the NHS, it is expected that the NHS may no longer be able to meet the full cost of this funding requirement in future. As such, in the GIF, the proportion of the gap after developer contributions that is funded by the NHS has been reduced down from 100% to 75% in order to give a best estimate of future funding requirements.

Social care provision

2.6. The GIF maps current social care provision across Kent, including provision for people with learning disabilities; people with mental health needs; older people; and people with physical disabilities. The following capacity issues are identified:

Client group needs	Capacity issues in:
Learning disabilities	Ashford Dartford Dover Sevenoaks Tonbridge and Malling Tunbridge Wells
Mental health	Dartford Dover Tonbridge and Malling
Older people	Dartford Swale

	Thanet
Physical disabilities	Dartford Dover Gravesham Maidstone Swale Thanet Tonbridge and Malling Tunbridge Wells

2.7. Costs and future provision requirements are estimated on the basis of the Social Care Accommodation Strategy which sets out the forecast change in demand for the full range of care clients. This analysis has highlighted the need for considerable investment in older persons nursing and extra care accommodation and also supported accommodation for clients with learning disabilities.

2.8. Given the limitations on the data used for the GIF, there is a clear need to refine the picture of health and care infrastructure to meet future growth in the next and future iterations of the GIF. Nonetheless, whilst the findings of the GIF should be read with caution, they **highlight a critical challenge in funding health and social care provision to meet future demand**. In particular, the GIF has highlighted challenges in such provision in growth areas where there viability is more marginal.

3. Developing the health infrastructure of the future for Kent and Medway

3.1. In order to refine our understanding of this challenge and provide as robust an evidence base as possible from which to potentially attract funding and/or explore new delivery models, it is critical that the GIF is shaped by partners, including those around the Health and Wellbeing Board. There is also a clear opportunity to shape this part of the GIF with local Health and Wellbeing Boards moving forward.

3.2. From this work to refine the evidence base, the GIF could give the HWB a platform from which to **identify priorities for healthcare infrastructure for the future**. In doing so, the HWB is potentially a key partner in the GIF action plan, particularly around raising the profile of the need for better alignment of funding for healthcare infrastructure with growth.

3.3. Similarly, local partners will **be using the GIF to engage with London on more proactive management of the impact of London's growth** on Kent

and Medway. This will form part of a strategic conversation across the Southeast to ensure that where this growth impacts outside of London, the right infrastructure is delivered to support that growth. To broker this engagement, KCC will work through the Southeast Strategic Leaders (SESL) network, as well as Southeast authority officer networks (including a planning policy officers and directors groups).

- 3.4. Further, and perhaps more importantly, the GIF is intended to give partners a tool with which **to test the impact of new delivery models**. Within the current GIF, the option of an integrated health and social care model, similar to the Estuary View Medical Centre in Whitstable, is applied to the whole of Kent and Medway. The cost is estimated to be c. £500m, but the impact of revenue savings as a result of more efficient delivery may be deemed to outweigh this initial capital cost in the medium to long term. Further work on exploring the cost of such a model and the potential savings in revenue terms could be undertaken using the GIF as a framework.
- 3.5. Finally, KCC will use the GIF to enable a more **proactive approach to attracting investment** – not only from Government but from potential private sector sources as well. Work will be scoped to explore the potential of institutional investment, as well as to proactively prepare for future rounds of Local Growth Funding and/or other Government funding.

4. Recommendation

4.1. The Board is recommended to:

- a) note the contents and conclusions of the first GIF and its associated action plan;
- b) agree to help shape the future of the GIF by contributing robust and timely data and analysis to the next refresh;
- c) agree to use the GIF to help shape discussions about the future shape of health service delivery

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APPENDIX: GIF Action Plan

Action 1: Innovation in financing

Discussions with Government on the shortfall in capital funding growth and work collaboratively to find 'new innovative ways' of closing the funding gap (e.g. Tax Increment Funding (TI F), Institutional Investment, better application of CIL etc).

Action 2: A single Infrastructure Delivery Plan for Kent

Explore the feasibility of producing a single Infrastructure Delivery Plan for Kent and Medway reflecting the robust partnership working with the district authorities and Medway.

Action 3: A stronger relationship with London and the Southeast

Engage with South East Strategic Leaders and the County Councils in the South East on strategic issues and priorities, in particular transport, including linkages to London and radial routes to better connect the wider South East.

Action 4: Reform of CIL and developer contributions

Engage Government, using existing networks such as the County Councils Network where appropriate, to explore means of refining the current CIL and developer contribution mechanisms to better take account of varying viability in different areas of the country, to maximise the potential of CIL .

Action 5: The potential for private sector investment

Open discussions with the private sector including the development, pension and insurance sectors, and other investment sectors to explore the feasibility of establishing an 'Institutional Investment' pot for infrastructure and other mechanisms that may help fund infrastructure.

Action 6: A stronger relationship with the utilities

We will collaborate with the utilities sector to seek improved medium to long term planning aligned to the County's growth plans. A key role for the public sector will be to hold utilities companies to account to make the necessary capital investment. Through establishing County Council scrutiny arrangements for utility provision (which have the opportunity to feed into OFWAT, OFGEN, etc) matching utility companies' capital investment plans to the growth plan.

Action 7: Maximise the public estate

We will use the One Public Estate pilot commencing across Kent to seek to ensure we are maximising opportunities to lever in investment opportunities to fund and support growth.

Action 8: Ensuring the GIF is a "go-to" reference for infrastructure priorities

The GIF will be regularly refreshed to reflect the ongoing development of the Kent and Medway Local Plans and to enable refinement of many of the areas of evidence within the framework including costs and future funding assumptions.

Action 9: An integrated approach to planning and delivering growth

Monitor annually on a district-by-district basis:

- Progress of Local Plans;
- Delivery of housing and employment space;
- Receipts from developer contributions and CIL;
- Public and private sector investment in the county, including into the health and social care sectors and;
- Utility company capital investment.

Action 10: A robust design agenda for Kent and Medway

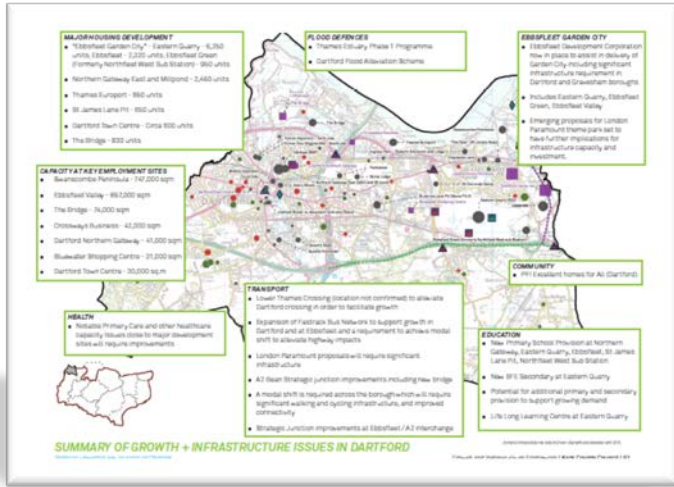
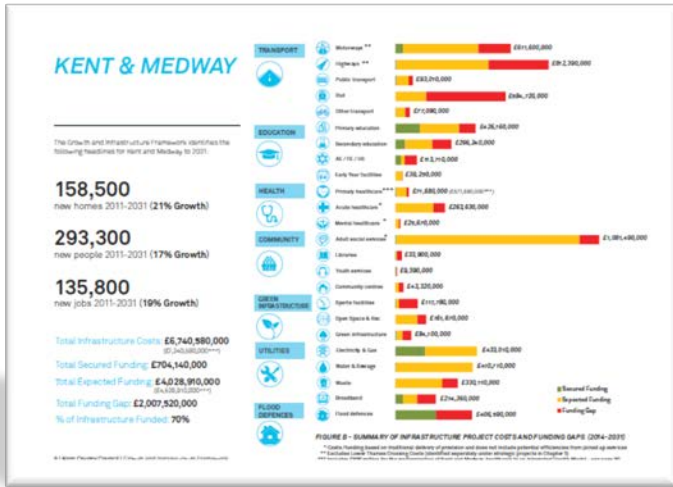
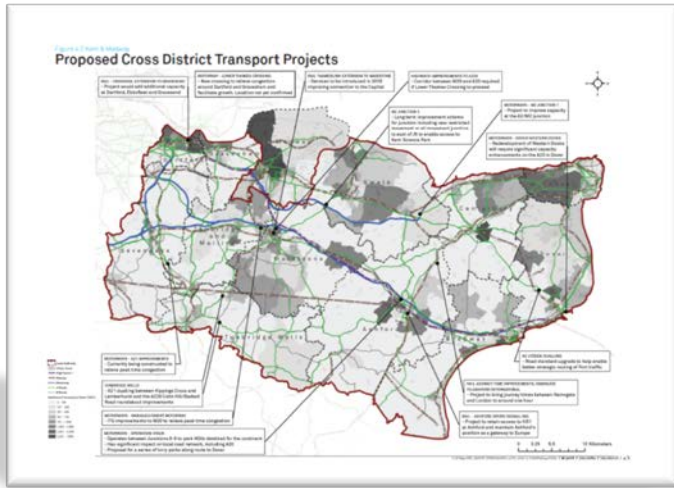
Consider how we can build on and refine current activity in the county aimed at ensuring high quality design, including working with Kent Planning Officers' Group and Design South East and updating the Kent Design Guide where required.

Kent and Medway Growth & Infrastructure Framework

Stephanie Holt

Environment, Planning and Enforcement Division

What is the Growth & Infrastructure Framework?



The purpose of the framework

To provide countywide picture of:

1. Growth to 2031 based on:
 - LPA planned growth
 - Demographic factors
 - Economic factors
2. Infrastructure needed to facilitate that growth
3. Infrastructure funding gap for Kent and Medway

The benefits of the framework

1. Evidence and support for Local Plans as they are developed
2. Opportunity to co-ordinate planning of new delivery models e.g. health, utilities etc
3. Single, strategic voice for Kent and Medway
4. Evidenced conversation with Government on funding and delivery barriers
5. Evidenced conversation with London on how it will meet its housing need

Kent & Medway – Growth to 2031

The Growth and Infrastructure Framework identifies the following headlines for Kent and Medway to 2031

158,500

new homes 2011-2031 (21% Growth)

293,300

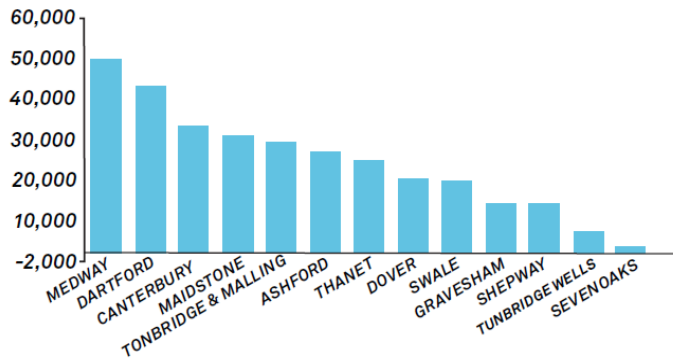
new people 2011-2031 (17% Growth)

135,800

new jobs 2011-2031 (19% Growth)

Population Growth

The population growth varies significantly within Kent & Medway, with the greatest increases in Medway, Dartford, Canterbury & Maidstone



Housing Growth



FIGURE 3.14 - NUMBER OF HOUSING SCHEMES (100+ UNITS) FORECAST FOR EACH LOCAL AUTHORITY

Economic Growth

Kent & Medway – Infrastructure requirement

Statutory Local Government Infrastructure, Public Sector Partnership Infrastructure & Private Sector Infrastructure are necessary pre-requisites to support the scale of growth.



The cost of growth

Total for Kent and Medway	Total Amount	Amount per Annum
Infrastructure Cost from 2014 to 2031	£6.74 billion	£397 million
Secured Funding *	£0.70 billion	£42 million
Expected Funding**	£4.03 billion	£237 million
Funding Gap	£2.01 billion	£118 million

* Funding that is in the bank or committed via formal agreement ** Funding that is anticipated to come in via government, developer contributions or private sector.

The GIF makes abundantly clear that the current mechanisms for delivering growth do not provide the infrastructure needed for that development.

The agenda for infrastructure

Getting the evidence base right

- Explore the potential for a single Infrastructure Delivery Plan for Kent and Medway.

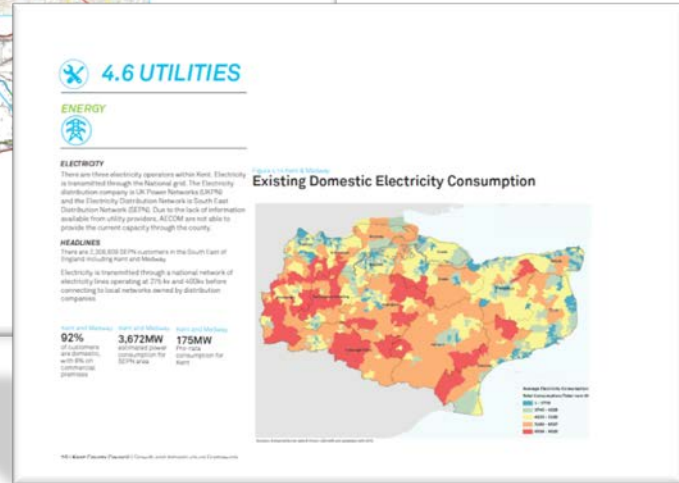
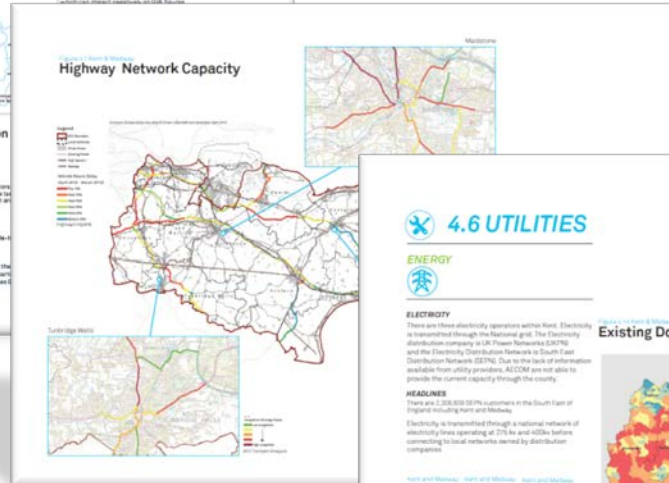
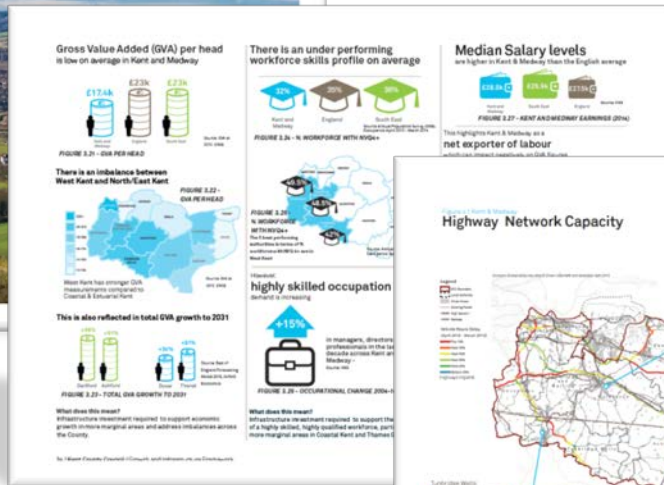
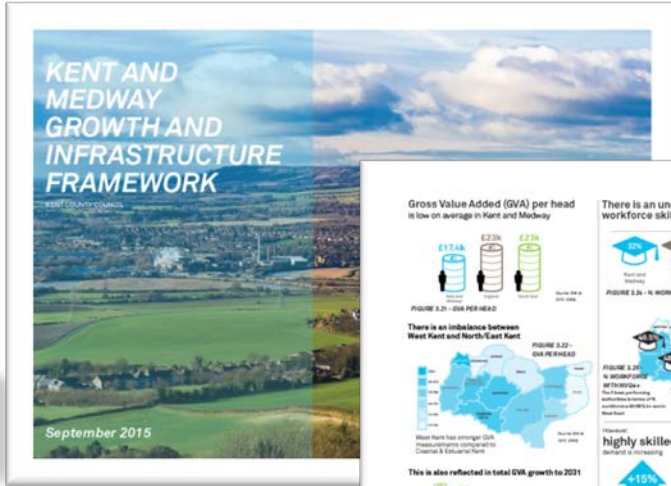
Influencing and attracting new investment

- Health and social care considered on two basis; continuing the existing model of provision, and a modern fit-for-purpose 21st century model
- Explore the potential for private sector investment in infrastructure
- Use the GIF to promote a more robust approach to quality design

Working more effectively across boundaries to maximise infrastructure investment

- Work with Government to explore innovation in funding of infrastructure including potential reform of CIL
- Maximise the public estate to further support growth through Kent's One Public Estate pilot.
- Develop a stronger relationship with London and the South East

Further development of GIF



www.kent.gov.uk/GIF

GIF@kent.gov.uk

Infrastructure Needs and Requirements;
Chapter 4.3 – Health
Chapter 4.4 – Community

Area Breakdowns;
Chapter 5.1 - Ashford