
Meeting: Executive
Date: 2 November 2010
Subject: Local Investment Plan Bid to the Homes and Communities Agency
Report of: Cllr Ken Matthews - Portfolio Holder for Economic Growth, Skills and Regeneration
Summary: The report seeks approval to submit the Council's Local Investment Plan to the Homes and Communities Agency (HCA)

Advising Officer: Director of Sustainable Communities
Contact Officer: Jon Cliff, Head of Economic Development and Physical Regeneration
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS

Council Priorities:

The Local Investment Plan (LIP) aims to secure additional funding to help meet the Council's priorities as set out in the Sustainable Communities Strategy 2010 - 2031, and as set out in the draft Housing Strategy being considered at this meeting.

Financial:

The preparation of the LIP has been met from existing resources. The LIP aims to lever in significant additional resources from the Homes and Communities Agency (HCA) to help deliver new homes and supporting related infrastructure. The total value of the current bid is £31.184m. The table at Appendix 1 (Project Funding Breakdown) provides a breakdown by project and includes other funding sources available to the authority including that derived from the Council's capital programme, and S106 funding. The HCA is awaiting the outcome of the Government's Comprehensive Spending Review (CSR) in October to determine the resources available to respond to LIPs.

Legal:

It is expected that any funding offered by the HCA will be the subject of a Local Investment Agreement between the Council and the HCA.

Risk Management:

Each project in the LIP will be subject to the usual risk assessments. Project risks are identified in the Project Proformas in Appendix A of the LIP.

Staffing (including Trades Unions):

Not applicable

Equalities/Human Rights:

Before they proceed all projects included within the LIP will be the subject of Equality Impact Assessments. Central Bedfordshire Council has a statutory duty to promote race, gender and disability equality and to tackle discrimination experienced by other vulnerable groups. The Council must ensure that decisions minimise unfairness and do not have a disproportionately negative effect on people from different ethnic groups, disabled people, and men and women.

Community Safety:

Community safety issues will be considered on a project by project basis.

Sustainability:

Sustainability principles underpin the preparation of the LIP. Section 3.2 of the LIP specifically addresses sustainability issues.

Summary of Overview and Scrutiny Comments:

- The plan has not been considered by Overview and Scrutiny Committee. As the LIP is not a strategy or policy within the Budget and Policy Framework, it is not proposed to refer this to Overview and Scrutiny Committee.

RECOMMENDATION(S):

1. that the Executive agrees the Local Investment Plan for submission to the Homes and Communities Agency.
2. that modifications to the Local Investment Plan required to respond to any changes in emphasis at the HCA arising from the Government's Comprehensive Spending Review and forthcoming reforms be delegated to the Director of Sustainable Communities in consultation with the Portfolio Holder for Economic Growth Skills and Regeneration.
3. that the signing of a Local Investment Agreement between the Council and HCA, based on the Local Investment Plan submission, be delegated to the Director of Sustainable Communities in consultation with the Portfolio Holder for Economic Growth Skills and Regeneration.

Reason for Recommendation(s): To enable a bid for funding to the Homes and Communities Agency to be made.

Executive Summary

The report sets out the background to the Local Investment Plan (LIP) initiative by the Homes and Communities Agency. The LIP is in effect a bid to the HCA for funds to support housing and related infrastructure and regeneration needs. A Draft LIP has been prepared for Central Bedfordshire closely aligned to the Council's priorities in relation to delivering sustainable growth, and in particular the Draft Housing Strategy. The report seeks approval to submit the LIP to the HCA.

Background

1. The HCA, set up in 2008 by the previous Government, has been focused on helping to deliver new homes and growth. It embarked on a process of engagement with local authorities about their housing, infrastructure, and regeneration needs and how the HCA could help to meet these through funding and other support (knowledge, skills, experience, expertise and relationships). The focus of the process is the preparation by local authorities of Local Investment Plans, which are in effect bidding documents to the HCA setting out the priorities for public intervention and outcomes anticipated.
2. The HCA have indicated that going forward they expect their priorities will remain very housing outcomes focused in order to help meet our housing needs. They will expect to see included in the LIP specific housing focused projects, including affordable housing, but they would also consider Infrastructure or Other Projects where directly linked to the delivery of housing. In the climate of reduced public sector resources they will be looking for smarter ways to generate value and deliver outcomes at lower costs and maximise leverage from the private sector and public sectors. The range of possible funding includes grants, gap funding, and long term loans based on revenue streams from asset sales.
3. The HCA have had a significant budget reduction in the current financial year (£230m cuts were announced by the HCA at the end of May as part of the CLG cut of £780m). The Coalition Government has recently announced that the organisation is to be retained but substantially reformed to be a smaller enabling and investment body working for local communities. The process of preparing LIPs has continued though the Government has signalled that it is for individual authorities to determine whether they wish to continue to engage with the HCA in the process. The HCA are awaiting the results of the Government's Comprehensive Spending Review (CSR) to understand what funding they will have available to respond to the LIPs submitted by local authorities. They will then work towards signing a Local Investment Agreement with each local authority based on the LIP submission and available funding.
4. It still seems to be the case that the LIP process is likely to embrace the National Affordable Homes Programme (NAHP) grant regime which delivers affordable homes, and housing for specific groups such as older people. However there are indications the Growth Fund (GAF) may to continue separately to support capital projects linked to housing growth (subject to the CSR), and that this may be outside the LIP process depending on the form that Government decides this should take. CLG have indicated that they will be consulting on the future form of growth funding later this year.

Central Bedfordshire LIP

5. The LIP process is an opportunity for Central Bedfordshire to clearly define and articulate its funding priorities in relation to the growth agenda and it should be of value regardless of the specific HCA requirement. It aims to provide:
 - i) a platform for identifying our corporate priorities to help drive the Economic Powerhouse delivery in relation to housing and related infrastructure. There has been close working in developing the LIP with the Local Economic Assessment, and with the Housing Strategy.
 - ii) a strategic evidence base to discuss our priorities for investment with the HCA, Government and other bodies as necessary. The LIP should provide a good basis for considering potential Growth Fund (GAF) bids should this grant regime continue separately
 - iii) a key input to a programme management approach to the overall delivery of our growth agenda.

6. A Draft LIP has been developed, and the HCA have been engaged in the process providing guidance as appropriate. It has been considered by Local Strategic Partnership Thematic Partnerships, with presentations to the Children's Trust, Strategic Housing Delivery Partnership, and Environment and Economy Thematic Partnership. The Draft draws on existing and emerging policy documents and strategies, including the Sustainable Community Strategy, the Draft Housing Strategy, the emerging Local Economic Assessment, and the Local Development Frameworks. The Draft Local Investment Plan is included at Appendix B.

7. Two investment packages have been included in the Draft LIP covering a three year period. The first is focused on the delivery of new homes and includes affordable housing, tackling empty properties and masterplanning for major new housing sites. The second package is focused on infrastructure to support the delivery of new homes and includes a range of projects (town centre land assembly, support to employment sites, support to leisure proposals, and a range of green infrastructure proposals). The projects have been assessed against the four strategic priorities in the draft Housing Strategy (economic development and sustainable communities, Using Council assets to aid the delivery of growth and housing, Meeting the accommodation and support needs of Older Persons and Vulnerable People, and Providing housing options for the whole community), together with an assessment of Deliverability within the 3 year timeframe and Leverage of other funding. Projects are prioritised as High, Medium and Low.

8. The Draft LIP also flags up potential future projects which will require further work before specific funding bids can be put together. It is important to signal to the HCA that there are more projects in the pipeline which will be seeking support. It is expected that some of these projects can be considered next year when it is anticipated that the LIP is reviewed and/or through the Growth Fund (GAF) process referred to above.

9. Given the current position of the HCA, about to be reformed and awaiting the outcome of the CSR, there may be a need to make some modifications to the LIP if any change in emphasis emerges from the HCA in the near future. It is proposed that such modifications be delegated to Director of Sustainable Communities in consultation with the Portfolio Holder for Economic Growth, Skills and Regeneration.
10. It is expected that following consideration and assessment of the LIP by the HCA a Local Investment Agreement will be completed with the Council based on an agreed funding package. It is proposed that signing of this Agreement be delegated to the Director of Sustainable Communities in consultation with the Portfolio Holder for Economic Growth Skills and Regeneration.

Appendices:

Appendix A Project Funding Breakdown

Appendix B Draft Local Investment Plan

Background Papers: (open to public inspection)

Sustainable Community Strategy 2010-2031

Draft Housing Strategy

Location of papers:

Available on the Council's website